

F.O.I.A.

JULIUS ROSENBERG ET AL

FILE DESCRIPTION

HQ.

FILE

SUBJECT

Silvermaster

FILE NO.

105-56402

MORRIS

VOLUME NO.

150

SERIALS

3835

*Budwe
H. Strimling*

3896

Granich(s)

①

File No: 65-56402

Re: Silvermaster

Date: _____ (month/year)

Serial	Date	Description (Type of communication, to, from)	No. of Pages		Exemptions used or, to whom referred (Identify statute if (b)(3) cited)
			Actual	Released	
3835	3/23/50	RH report to re report	15	14	b7D
3836	3/28/50	NY letter HQ	1	1	
3837	5/9/50	Changed to Sheet	1	1	
3838	3/26/53	" " "	1	1	
3839	3/29/50	NY letter HQ	1	1	
3840	5/9/50	Changed to Sheet	1	1	
3841	8/26/53	" " "	1	1	
3842- 3844	5/9/50	" " "	1	1	
3845- 3846	5/9/50	" " "	1	1	
3847	5/29/50	" " "	1	1	
NR	5/16/50	WFO letter HQ	1	1	b1
A	5/26/51	Changed to Sheet	1	1	

26 25 1 0
new are done ref

File No: 65-56402Re: Submaster

Date: _____ (month/year)

Serial	Date	Description (Type of communication, to, from)	No. of Pages		Exemptions used or to whom referred (Identify statute if (b)(3) cited)
			Actual	Released	
3848	6/19/50	WFO let HQ	1	1	
3848	6/22/50	HQ let WFO	1	1	
3849	2/26/53	Changed to Arrest	1	1	
3850	6/20/50	HQ let BS	1	1	
NR	8/16/50	HQ TT NY	1	1	
NR	9/26/50	Dof let HQ	1	0	refer
NR	10/17/50	HQ let Dof	1	1	
3851	2/26/53	Changed to Sheet	1	1	
3851x4 3852	5/26/51	" "	1	1	
3853	10/3/50	BS let HQ	1	1	
3854	10/16/50	NY TT HQ	3	3	
3854	10/17/50	HQ let NY	1	1	

14 BS 0
new rule during mtg

(3)

File No: 65-56402

Re: Silvermaster

Date: _____

(month/year)

Serial	Date	Description (Type of communication, to, from)	No. of Pages		Exemptions used or, to whom referred (Identify statute if (b)(3) cited)
			Actual	Released	
3855	2/26/53	changed to sheet	1	1	
3856	10/19/52	fold memo to Belmont	1	1	
3856x	10/30/52	Brent memo to Merrick	14	14	b1 b7D
3857	10/18/52	ny letter w/enc	1/4	1/4	
3858	11/18/52	changed to sheet	1	1	
3859	12/9/52	18 " "	1	1	
3860	10/17/52	ny letter w/enc	1/2	1/2	referred pg
3861	10/27/52	ny TT HQ	3	3	
3862	8/29/52	WFO letter HQ	4	3	referred b1 b7C
NR	4/10/51	HQ letter ny w/enc	1/10	1/9	referred
3863- 3866	3/29/51	changed to sheet	1	1	
3867	2/26/53	11 " "	1	1	

46 42 0 4
new new deny ref

(4)

File No:

65-56402

Re:

Silvermaster

Date:

(month/year)

Serial	Date	Description (Type of communication, to, from)	No. of Pages		Exemptions used or, to whom referred (Identify statute if (b)(3) cited)
			Actual	Released	
3868	11/3/50	fold memo to Director	2	2	b3 FRCP Rule 6e
3869	2/26/53	changed to Sheet	1	1	
NR	11/10/50	NY TT HQ & 3rd party	1	1	
NR	11/14/50	HQ TT NY Key report	1	1	
3870	3/29/51	changed to Sheet	1	1	
3871	5/4/57	" " "	1	1	
3872	3/29/51	" " "	1	1	
3873	12/14/50	HQ let NY	1	1	
3874	2/26/50	changed to Sheet	1	1	
3875	11/4/51	NY let HQ	3	3	
3876+	2/26/51	changed to Sheet	1	1	
3877	1/5/51	NY report HQ	2	2	

16 16 0
new new deny ref

(5)

File No: 65-56402

Re: Shirleymaister

Date: _____ (month/year)

Serial	Date	Description (Type of communication, to, from)	No. of Pages		Exemptions used or, to whom referred (Identify statute if (b)(3) cited)
			Actual	Released	
38794 3880	3/29/51	Changed to Sheet	1	1	
3881	2/20/53	" "	1	1	
3882	2/13/51	HA let NY	1	1	
3882x	2/15/51	WFO let HA	1/119	1/119	
3883	2/20/53	Changed to Sheet	1	1	
3884	2/26/51	" "	1	1	
3885	2/26/53	" "	1	1	
3886	2/26/53	HA TT NY	1	1	
3887	4/4/51	Change to Sheet	1	1	
3888	2/27/51	NY TT HA	1	1	
3889	3/15/51	NY let HA	1/2	1/10	referred
3890	3/23/51	NY let HA	1	0	referred

133 130 10 3
new me done ref

FD-72
(1-19-49)

FEDERAL BUREAU OF INVESTIGATION

28-1
8-11

Form No. 1
THIS CASE ORIGINATED AT

WASHINGTON FIELD

FILE NO.

67-1629

REPORT MADE AT RICHMOND	DATE WHEN MADE 3/23/50	PERIOD FOR WHICH MADE 3/3, 12/50	REPORT MADE BY BIRL WILSON
TITLE WILLARD ZERBE PARK			CHARACTER OF CASE SECURITY MATTER - C

SYNOPSIS OF FACTS:

ADMINISTRATIVE REPORT

Results of [REDACTED] and mail cover set forth. Subject has bank account at Loudoun National Bank, Leesburg, Va., which contains a balance of \$5.00. This bank holds first trust of \$10,000.00 on subject's home at Aldie, Va. JACK E. RUSSELL, Attorney, Leesburg, Va., holds second trust of \$5,000.00. Records of Collector of Revenue, Loudoun Co. checked; no data of significance noted.

b7D

11-2-28
3042 PWT-JAL
C475-1121

- P -

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 6/12/83 BY SP5/lyg/ky

DETAILS:

[REDACTED]

b7D

APPROVED AND FORWARDED: <i>[Signature]</i>	SPECIAL AGENT IN CHARGE	DO NOT WRITE IN THESE SPACES	
COPIES OF THIS REPORT 5 - Bureau 2 - Wash. Field (77-12791) 2 - Charlotte 2 - Chicago 2 - Philadelphia 2 - San Francisco (100-25451)		65-56402-3835	INDEXED - 30 EX-93
APR 5 1950		MAF 27 1950 31	

PROPERTY OF FBI - This confidential report and its contents are loaned to you by the FBI and are not to be distributed outside of agency to which loaned.

UNRECORDED COPY FILED IN 77-12791

RH 65-1629

[REDACTED]

[REDACTED]

[REDACTED] b7D

[REDACTED]

[REDACTED]

Sheriff S. PAUL ALEXANDER, Loudoun County, Leesburg, Virginia, advised that Mr. HOOPPAW is employed by the J. T. Hurst Lumber Company, Leesburg, Virginia, that he came to Leesburg from either North or South Carolina five or six years ago.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] b7D

[REDACTED]

[REDACTED]

[REDACTED] b7D

Mr. GEORGE W. CRAIG, Mail Carrier, Fairfax, Virginia, informed that HIGDON resides in the Riley Sub-Division and is employed as a septic tank worker.

[REDACTED]

[REDACTED] b7D

XXXXXX
XXXXXX
XXXXXXFEDERAL BUREAU OF INVESTIGATION
FOIPA DELETED PAGE INFORMATION SHEET

1 Page(s) withheld entirely at this location in the file. One or more of the following statements, where indicated, explain this deletion.

☒ Deleted under exemption(s) b7D with no segregable material available for release to you.

☐ Information pertained only to a third party with no reference to you or the subject of your request.

☐ Information pertained only to a third party. Your name is listed in the title only.

☐ Documents originated with another Government agency(ies). These documents were referred to that agency(ies) for review and direct response to you.

Pages contain information furnished by another Government agency(ies). You will be advised by the FBI as to the releasability of this information following our consultation with the other agency(ies).

Page(s) withheld for the following reason(s):

☐ For your information: _____

☒ The following number is to be used for reference regarding these pages:

65-56402-3835p4

XXXXXX
XX XXX
XXXXXXXXXXXXXXXXXXXXXXX
X DELETED PAGE(S) X
X NO DUPLICATION FEE X
X FOR THIS PAGE X
XXXXXXXXXXXXXXXXXXXXX

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

b7D

Sheriff ALEXANDER informed that the above persons, known to him, have no subversive tendencies to his knowledge.

The indices of the Richmond Office are negative as to Dr. RUFUS W. HUMPHREY, Middleburg, Virginia; CADLE HOOPPAW, Leesburg, Virginia; JOHN W. HIGDON, Fairfax, Virginia; Miss NANNIE C. FRED, Leesburg, Virginia; REX W. DUNLOP, Vienna, Virginia; RICHARD A. and ROBERT E. PARHAM, Middleburg, Virginia; J. W. FLEMING, Hamilton, Virginia, and M. M. PEARSON, Middleburg, Virginia, and JOHN B. HALL, Middleburg, Virginia.

Confidential Informant T-6 advised that the following mail was received at the residence of the subject at Aldie, Virginia, for the period January 27, 1950 to March 4, 1950:

WILLIAM BROWN INGERSOL postmarked January 27, 1950
1220 - 16th St.
Washington, D. C.

LEALEY or LEOLEY BRAND CONCRETE CO. Postmarked January 28, 1950
680 West End Ave.
New York City

LEO ~~STAR~~RABINOWITZ Postmarked January 30, 1950
796 Wells Bldg.
San Francisco, Calif.

Changing Times Postmarked January 30, 1950
1279 G Street, N. W.
Washington, D. C.

American Scientist Magazine Postmarked January 30, 1950
New Haven, Conn.

RH 65-1629

Human Relations Area Files, Inc.
333 Cedar St.
New Haven, Conn.

Postmarked January 31, 1950

Piedmont Telephone Co.
Manassas, Va.

Postmarked January 31, 1950

Aetna Life Ins. Co.
1511 K Street, N. W.
Washington, D. C.

Postmarked January 31, 1950

Suite 420
1736 I Street, N. W.
Washington, D. C.

Postmarked February 1, 1950

American Association of University
Professors
1101 Connecticut Avenue, N. W.,
D. C.

Postmarked February 1, 1950

CRITCHELL MILES INS. CO.
175 West Jackson Blvd.
Cincinnati, Ohio

Postmarked February 3, 1950

Mrs. W. H. BRANDENSTEIN
2030 Gough Street
San Francisco, Calif.

Postmarked January 31, 1950

(This is the mother-in-law of subject.)

R. Rich's Sons
F at 10th
Washington, D. C.

February 1, 1950

Explorers Club
10 West 72nd Street
New York City

Postmarked February 2, 1950

9 Fel P. Steel
c/o American Express
Bombay, India

Postmarked December 28, 1950

1009 - 10th Street
Washington, D. C.

Postmarked March 2, 1950

RH 65-1629

Second National Bank
1333 G Street
Washington, D. C.,

Postmarked March 3, 1950

Suite 867
36 S. Dearborn St.
Chicago, Illinois

Postmarked February 4, 1950

Yale University
333 Cedar Street
New Haven, Conn.

Postmarked February 7, 1950

CHARLES ~~C.~~ THOMAS, Publisher
301 E. Lawrence
Springfield, Ill.

Postmarked February 8, 1950

E. P. DUTTON & CO.
300 - 4th Ave.,
New York City

Postmarked February 9, 1950

Ethnologists Book Exchange
Santa Anna, Calif.

Postmarked February 10, 1950

E. ~~A.~~ JOHNSON
3774 Hayes St., N. E., Apt. 1
Washington, D. C.

Postmarked February 11, 1950

Sinclair Refining Co.
10 W. 51st St.
New York City

Postmarked February 11, 1950

The Express Club
10 West 72nd St.
New York City

Postmarked February 12, 1950

Aetna Life Insurance Co.
1511 K Street, N. W.
Washington, D. C.

Postmarked February 13, 1950

Pard Farms
Guerneville, Calif.

Postmarked February 10, 1950

Mrs. H. V. ~~A.~~ BRANDENSTINE
2030 Gough Street
San Francisco, Calif.

Postmarked February 10, 1950

RH 65-1629

American Association for Advancement
of Science
1515 Massachusetts Avenue
D. C.

Postmarked February 15, 1950

~~W. LaBARRE~~ or ~~LaBORRE~~
Duke University, N. C.

Postmarked February 15, 1950

ROBERT S. PEABODY FOUNDATION
Andover, Mass.

Postmarked February 18, 1950

University of New Mexico
Albuquerque, N. M.

Postmarked February 16, 1950

Yale Club
1500 _____ Blvd.
Los Angeles, Calif.

Postmarked February 20, 1950

WILLIAM BROWN ~~WINGERSOLL~~, D.D.S.
1220 - 16th St.
Washington, D. C.

Postmarked February 24, 1950

BILL ~~ROTHLIANN~~
620 Euclid Drive
San Francisco, Calif.

Postmarked February 20, 1950

Loudoun National Bank
Leesburg, Va.

Postmarked February 27, 1950

University of New Mexico
Albuquerque, N. M.

Postmarked February 28, 1950

Sinclair Refining Co.
10 West 51st Street
New York City

Postmarked March 1, 1950

Box 291
Leesburg, Va.

Postmarked March 3, 1950

Express Club
10 West 72nd St.
New York City

Postmarked March 3, 1950

Collier and Ashton
Middleburg, Va.

Postmarked March 3, 1950

RH 65-1629

Best & Company
5th Avenue & 51st St.
New York City

Postmarked March 3, 1950

American Association of University
Professors
1101 Connecticut Ave.
Washington, D. C.

Postmarked March 4, 1950

American Folk Lore Society
University of Pennsylvania
Philadelphia

Postmarked March 4, 1950

Funk & Wagnolls
53 East 24th Street
New York City

Postmarked March 4, 1950

The Deed Book on file at the Clerk of Court's Office, Loudoun County Court House, Leesburg, Virginia, reflects that on September 7, 1948 WILLIAM H. and DOROTHY G. VON DREELE sold 6.48 acres of land, including buildings, to WILLARD Z. ~~PARK~~ and SUSAN B. ~~PARK~~. It was indicated that a \$10,000.00 first trust was held by the Loudoun National Bank, Leesburg, Virginia, and that a second trust of \$5,000.00 was held by JACK E. RUSSELL, Leesburg, Virginia, an attorney for the Loudoun National Bank.

Confidential Informant T-7 informed that PARK and his wife opened a joint account at this bank on September 7, 1948 with a \$500.00 deposit. The balance at the present time is \$5.00. He informed that the last check was drawn on this account on November 1, 1949 and that all cancelled checks have been mailed to PARK. It was noted that there were several deposits around \$500.00 each, that the highest deposit was \$901.00 on March 3, 1949. Ledger sheets reflected that numerous small checks were drawn on this account, indicating it was used to pay household bills.

Informant T-7 informed that on September 7, 1948 the bank took a \$10,000.00 straight five year trust at three percent on the residence of PARK, located at Aldie, Virginia. He stated that he believes the original purchase price of the house and land was in the vicinity of \$25,000.00.

Confidential Informant T-8 made available 1949 Personal Property Tax Return of the subject, which was filed April 30, 1949. This

RH 65-1629

return indicated that he owned a 1947 Pontiac, two cattle; 1 hog, poultry valued at \$25.00, total value of his personal property \$1,434.00. No other data of significance was noted.

Sheriff S. PAUL ALEXANDER, who resides at Aldie, Virginia, informed that the subject does not associate with the people in the community and does not take part in local affairs. He stated that he has endeavored to ascertain what type of business the subject is engaged in but to date has only been able to learn that he is engaged in some type of exporting business. He stated that his young son plays with the PARKS children and that he has accompanied them to Washington, D. C. on several occasions to attend movies. He stated that on one occasion his son told him that he had accompanied Mr. PARK and his children to the office of one ALEXANDER GINSBERG, located in the Warner Building, Washington, D. C. Also, his son had mentioned that the GINSBERG children had visited the subject's children at Aldie, Virginia.

Sheriff ALEXANDER related that all visitors of the subject are apparently strangers in the community; however, he has been unable to ascertain the identity of any of them but did observe an article in the local paper which indicated that GEORGE D. MURDOCK, Professor of Anthropology Department, Yale University, was the week-end guest of the PARKS February 17-18, 1950.

Postmaster S. T. ISH, Aldie, Virginia, also informed that the subject does not associate with people in the community nor does he take part in local affairs. He stated that from his observation the PARKS have very few visitors and they are strangers in the community. He related that one of the local children, identity unknown, while in the Post Office recently mentioned that one of the PARK children had told him that they were moving from the community in the spring and were going to Ethiopia.

- PENDING -

RH 65-1629

LEADS

CHARLOTTE OFFICE

AT DURHAM, N. C.

Will ascertain the identity of W. LaBARRE or LaBORRE,
Duke University.

CHICAGO OFFICE

AT CHICAGO, ILL.

Will ascertain the occupants of Suite 867, 36 South
Dearborn Street.

PHILADELPHIA OFFICE

AT MORTONVILLE, Pa.

[REDACTED]

SAN FRANCISCO OFFICE

AT SAN FRANCISCO, CALIF.

Will ascertain the identity of LEO J. RABINOWITZ, 796 Wells
Building, and BILL ROTHMAN, 620 Euclid Drive.

WASHINGTON FIELD OFFICE

AT WASHINGTON, D. C.

[REDACTED]

RH 65-1629

Will contact Second National Bank, Washington, D. C., to determine if subject has an account there and if so, will examine same.

Will ascertain if JOE ALLEN JONES is a direct employee of the Atomic Energy Commission and if so, consider advising the Bureau of his association with this subject under caption of Loyalty of Government Employees.

Will ascertain the identity of WILLIAM BROWN INGERSOLL, 1220 - 16th St., Washington, D. C.

Will ascertain the identity of persons occupying Suite 420, 1736 I Street, N. W.

Will ascertain the identity of individuals residing at 1009 - 10th Street.

Will ascertain the identity of E. JOHNSON, 3774 Hayes Street, N. E., Apartment 1, Washington, D. C.

RICHMOND OFFICE

AT LEESBURG, VA.

Will ascertain the identity of subscriber to Post Office Box 91.

THE PLAINS, VA.

Will check with Western Union to determine if subject sent or received a message December 24, 1949.

AT FALLS CHURCH, VA.

Will endeavor to ascertain the current employment of JOE ALLEN JONES, 414 Great Falls Street.

AT ARLINGTON, VA.

[REDACTED]

AT ALDIE, VA.

Will report results of 60 day mail cover, which expires March 31, 1950.

b7D

CONFIDENTIAL INFORMANTS

T-1

[REDACTED]
[REDACTED] who requested that the information
be maintained confidential. b7C b7D

T-2

[REDACTED]
[REDACTED] the data be maintained confidential.

T-3

T-4

T-5

T-6 is Postmaster S. T. ISH, Aldie, Virginia, with whom a sixty day mail cover on the residence of the subject was placed on January 27, 1950.

T-7 is H. I. TIFFANY, Cashier and Vice-President, Loudoun National Bank, Leesburg, Virginia.

T-8 is Mrs. L. S. ANDREWS, employee, Collector of Revenue's Office, Loudoun County Court House, Leesburg, Virginia.

REFERENCE:

Bureau File 77-25035.
Reports of SA CARL N. DeTEMPLE, Washington Field,
11/22/49 and 3/13/50.

16725

Office Memorandum • UNITED STATES GOVERNMENT

TO : Director, FBI

DATE: March 28, 1950

FROM : SAC, New York

SUBJECT: GREGORY
ESPIONAGE - R
(Bureau file 65-56402)

Reference Bureau letter dated October 6, 1949, and New York letter dated January 4, 1950.

A review of this file indicates that all summary reports in connection with the breakdown of this case have now been submitted to the Bureau and, since there are no further leads outstanding at New York in this case, it is being considered as referred upon completion to the office of origin. EUC.

1 cc: Washington Field (100-17493)

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 6/3/83 BY SP-5 [signature]
5/28/88 3042 PLS/AB

RECORDED - 44

65-56402-383

MAR 29 1950

EX - 62

34

A5B

RJB:MLV
65-14603

55 JUN 12 1950

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 6/3/83 BY SP-5 [signature]
5/26/88 3042 [signature]

65-56402-3837
CLASSIFIED TO
100-44434-45

142
MAY 9 1980
ST

65-56402-3838
CHANGED TO
134-435-18

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 6/3/83 BY SP5 [signature]

5/26/88

3042 PWS/AB

FEB 26 1953

1-12

C

Office Memorandum • UNITED STATES

GOVERNMENT

TO : Director, FBI

DATE: 3-29-50

FROM : SAC, New York

SUBJECT: GREGORY
ESPIONAGE - R

ELIZABETH BENTLEY returned to New York City 3/13/50 and plans to reside in this city permanently. She is presently residing at the Hotel Commodore but expects to take up residence with some family or friends in the near future.

In view of the publicity given to the BENTLEY case in the press and because of her appearance before the House Committee on Un-American activities, it is not believed necessary to carry her as a confidential informant or under a symbol number when reporting information in Loyalty and Applicant cases where she furnishes information regarding the activities of persons involved in such cases where she has knowledge of their past or present Communist affiliations or lack thereof and where she has not requested her identity be kept confidential.

However, it is felt that, if any matters of intelligence level are discussed with her or where she volunteers information of this type the reporting of it should be done by utilizing a temporary informant symbol.

DEFENSE

This procedure, in reporting information obtained from ELIZABETH BENTLEY, will be followed unless, of course, the Bureau directs otherwise. The utmost caution will be used to insure that information supplied by her on a confidential basis is not revealed or openly reported as coming from

Washington Field

TGS:MBM/MFB
65-14603ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 6/3/83 BY SP-5 [signature]
5/26/88 3042 [signature]

INDEXED - 72

RECORDED - 10

165-56402-393
APR 12 1950
12

APR 19 1950

65-86400-3841
CHANGED TO
134-435-19

FEB 26 1953
1. E

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED

DATE 6/3/83 BY SP-5 [signature]
5/26/88 3042 [signature]

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 6/3/83 BY SP5 MAB/tyd

5/26/88 3042 PWS/DB

65-56402-3842, 3843, 3844

CHANGED TO

101-1487-43

100-44434-47

74-1333-4578X

OCT 1977

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102
MAY 9 1978

CT

C

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 6/3/83 BY SP5 [signature]

5/26/88 3042 [signature] 3846

65-56402-3845, 3846

CHANGED TO

100-44434-48

101-786-114X

152

ST

6

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED

DATE 6/3/83
5/26/88

BY

SP.5 rja/ky
3042 PULY/AB

65-56402-3847

MAY 29 1950

CHANGED TO

61-6328-104

232

Director, FBI

May 16, 1950

GUY HOTTEL, SAC, Washington Field

b1

[REDACTED] (C)

~~CONFIDENTIAL~~

Rebulet May 10, 1950.

6/3/83
Classified by SP-5 [signature]
Declassify on: OADR
3042 [signature] 5/24/88

The sentence on page 93 of the report of Special Agent LAMBERT G. ZANDER dated September 9, 1947 at Washington, D. C., in the matter entitled, "NATHAN GREGORY SILVERMASTER, was, et al, ESPIONAGE - R", should read:

[REDACTED] b1

This information obtained from [REDACTED] (C)

LGZ:cl
100-230

NOT RECORDED
132 MAY 18 1950

~~CONFIDENTIAL~~

6 MAY 26 1951.

65-56402-A Daily Telegraph & Morning Post
London, Eng 7/31/50, N.Y.
CHANGED TO HERALD Tribune 8/9/50,
NY Times 8/9/50, NY
News 8/9/50

100-365040-A

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 6/3/83 BY SP5 [signature]

5/26/88

3042 PWS/AB

①

Office Memorandum • UNITED STATES GOVERNMENT

TO : DIRECTOR, FBI

FROM : SAC GUY HOTTEL, WASHINGTON FIELD

SUBJECT: GREGORY
ESPIONAGE OF - R
(Bufile 65-56402)

DATE: June 19, 1950

REGISTERED MAIL
Return Receipt Requested

Reference is made to Los Angeles letter dated May 27, 1950 requesting copy of Summary Report in this case together with transcript of testimony furnished by ELIZABETH BENTLEY in view of the continued interest and desirability of reference on the part of the Los Angeles Office.

There is transmitted herewith to the Los Angeles Office a copy of the Summary Report dated October 21, 1946 which was prepared in the Bureau. This was the second and last of two such reports, an earlier report bearing the date of February 21, 1946.

Also for the assistance of the Los Angeles Division, there is submitted herewith a copy of the original statement of ELIZABETH TERRILL BENTLEY dated November 30, 1945 as contained in the report of SA THOMAS G. SPENCER, New York, dated December 5, 1945.

There is also transmitted herewith a printed copy of the Hearings (1378) before the House Committee on Un-American Activities, 80th Congress, Second Session, which contains a great deal of testimony by ELIZABETH BENTLEY, WHITTAKER CHAMBERS, et al.

In view of the frequent need for reference in this Office, it is requested that if available the Bureau will furnish this Office a copy of the Summary dated October 21, 1946, thus replacing the copy being transmitted at this time to Los Angeles.

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 6/3/83 BY SP-5 MTH/3042 PUL/3

Let. to WFO with
encl. 6-21-50
A5B

RECORDED - 16

JUN 19 1950

34

MAT:mjd
100-17493
cc - Los Angeles(Encls.)

75B

65-56402-3848

B

RECORDED - 71 SAC, Washington Field

June 22, 1950

EX-55

Director, FBI

GREGORY
ESPIONAGE - R
(Bufile 65-56402)

Reurlet June 19th last. Enclosed herewith please find a copy of the summary report dated October 21, 1946, entitled "Underground Soviet Espionage Organization In Agencies of the United States Government."

Enclosure

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 6/3/83 BY SP-5 [signature]
5/26/88 3042 [signature]

ASB:se

Tolson _____
Ladd _____
Clegg _____
Glavin _____
Nichols _____
Rosen _____
Tracy _____
Harbo _____
Mohr _____
Tele. Room _____
Nease _____
Gandy _____

74

U.S. DEPT. OF JUSTICE
FBI
RECEIVED-MIN. BUREAU
JUN 22 1950
COMM - FBI

for
AB
C.H.S.
ASB

JUN 22 1950
COMM - FBI

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED

DATE 6/3/83 BY SP5 mtk/ab

5/26/88

3042 PWJ/ab

65-56402-3849

CHANGED TO

134-435-24

FEB 26 1953

1018

✓

SAC, Boston

June 20, 1950

Director, FBI

JK
NATHAN GREGORY SILVERMASTER, WAS, FBI
ESPIONAGE - R
Bufile #5-56402

In reviewing the report of Special Agent Brenton S. Gordon dated December 6, 1945 at Boston in the captioned case, it was observed that Owen Lattimore was identified therein as the author of "Salvation in Asia," published by Little, Brown and Company, Boston, 1945. Lattimore's book "Salvation in Asia" was published in 1945 and it is believed that this is the correct title of the publication referred to.

In the absence of information to the contrary, a notation to that effect should appear on your copies of the report in question.

ac

RECORDED - 45
EX - 25

65-56402-3850
JUN 21 1950
80

cc - New York
Washington Field

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 6/3/83 BY SP-5 [signature]
3/26/88 3042 [signature]

AJH:so

Tolson _____
Ladd _____
Clegg _____
Glavin _____
Nichols _____
Rosen _____
Tracy _____
Harbo _____
Belmont _____
Mohr _____
Tele. Room _____
Nease _____
Gandy _____

74
MAILED 12
JUN 20 1950
JUN 28 1950

U.S. DEPT. OF JUSTICE
FBI
RECEIVED-NY 118
JUN 30 2 35 PM '50

Sh
Se
CH
Sh

AL 1950 - URGENT
SAC NEW YORK

JULIUS ROSENBERG, ESPIONAGE - R. EMANUEL AS GREENGLASS STATES ROSENBERG
TOLD HIM HE KNEW BENTLEY AND GOLDS, ADVISE IF PHOTO OF ROSENBERG EXHIBITED TO
BENTLEY AND RESULTS THEREOF. ADVISE PROMPTLY IF NOT ALREADY DONE. REFER
FINAL PARAGRAPH OF BENTLEY'S STATEMENT NOVEMBER THIRTY, NINETEEN FORTY
DESCRIBING ENGINEER KNOWN TO HER AND GOLDS AS JULIUS.

*Q. reply can
be given to*

*9-15-50
WFO advised "status of, awaiting submission
of summary report on Sol L. Greenhouse, who is
in preparation. Case to be closed following."*
ASB

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 6/3/83 BY SP5 [signature]
5/26/88 3042 PWS/AS

65-58236

RE: [illegible]

DC - 65-56402

*Form 0-1 to WFO 9-12-50
to advise status.
ASB*

165-56402
NOT RECORDED
73 AUG 15 1950

DUPLICATE YELLOW
TRANSMITTED

- Tolson _____
- Ladd _____
- Clegg _____
- Glavin _____
- Nichols _____
- Rosen _____
- Tracy _____
- Harbo _____
- Belmont _____
- Mohr _____
- Tele. Room _____
- Case _____
- Andy _____

335
68 AUG 23 1950

XXXXXX
XXXXXX
XXXXXXFEDERAL BUREAU OF INVESTIGATION
FOIPA DELETED PAGE INFORMATION SHEET

_____ Page(s) withheld entirely at this location in the file. One or more of the following statements, where indicated, explain this deletion.

- ☒ Deleted under exemption(s) _____ with no segregable material available for release to you.
- ☐ Information pertained only to a third party with no reference to you or the subject of your request.
- ☐ Information pertained only to a third party. Your name is listed in the title only.
- ☐ Documents originated with another Government agency(ies). These documents were referred to that agency(ies) for review and direct response to you.

 1 Pages contain information furnished by another Government agency(ies). You will be advised by the FBI as to the releasability of this information following our consultation with the other agency(ies).

_____ Page(s) withheld for the following reason(s):

☐ For your information: _____

☒ The following number is to be used for reference regarding these pages:

65-56402- NR dated 7-26-50

XXXXXX
XXXXXX
XXXXXXXXXXXXXXXXXXXXXXXXXXX
X DELETED PAGE(S) X
X NO DUPLICATION FEE X
X FOR THIS PAGE X
XXXXXXXXXXXXXXXXXXXXX

65-56402-✓

Assistant Attorney General James M. McInerney
Director, FBI

October 17, 1950

**INTERNAL SECURITY ACT OF 1950
FOREIGN AGENTS REGISTRATION ACT**

Reference is made to your memorandum of September 26, 1950, in which you advised that the Criminal Division would be interested in receiving any information the Bureau might have regarding individuals who now become liable to register with the Department under Section 20 of the Internal Security Act of 1950, and also requesting that the Criminal Division be advised of the identities of persons concerning whom a written determination might be made by the Attorney General that registration would not be in the interest of national security.

The problems raised in your memorandum are being given consideration. However, in the meantime, you might wish to review the case of Nathan Gregory Silvermaster, was., et al, and the case of Jay David Whittaker Chambers, was., et al, Perjury, Espionage - R and Internal Security - R, both of which are replete with individuals falling under each category. As cases come to our attention in the future, we will refer them to you.

LW:jva

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 6/3/83 BY SP5 [signature]

3/26/88

3042 [signature]

66-12300-100

SEP 12 1951

65-56402-3851.
CHANGED TO
134-435-26

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 6/3/83 BY SP5/mtt
5/26/88 3042 PWS/DB

FEB 26 1953

1000

6 MAY 26 1951

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 6/3/83 BY SP5 mja/kay

DATE 5/26/88

3042 PWS/AB

65-56402-3851X, 3852
CHANGED TO

100-365848-40X
137-435-27

FEB 26 1953

✓

16717

Office Memorandum • UNITED STATES GOVERNMENT

TO : Director, FBI

DATE: 10-3-50

FROM : SAC, Boston

SUBJECT: OWEN LATIMORE
ESPIONAGE (R)
(Bufile 100-24628)ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 6/3/93 BY SP5/STW/STW

5/26/88

30424/12

Re Washington letter to Bureau, copy to Baltimore and Boston, dated July 21, 1950, setting forth that the Bureau had authorized the interview of SOLOMON ADLER concerning his knowledge of OWEN LATIMORE.

By teletype dated August 1, 1950 the Bureau and interested field offices were advised that SOLOMON ADLER is presently in England and that the Boston Office, unless advised to the contrary, would arrange to interview ADLER on his return to the United States.

Recent contact at the residence of ADLER's father-in-law, LAWRENCE RICHARDSON, 19 Ware Street, Cambridge, Massachusetts, disclosed that ADLER and his wife continue to be in England on a visit and are due to return to the United States in late October, 1950.

As indicated in the referenced letter of the Washington Field Office, ADLER is the subject of a pending espionage (R) investigation in which this office is origin.

The above summary of the status of the matter is being recorded at this time in order that interested field offices will know the reason why the interview of ADLER has not been conducted.

In the absence of contrary instructions from the Bureau, upon the location of SOLOMON ADLER on his return to the United States, he will be interviewed in accordance with the instructions contained in the Washington letter dated July 21, 1950.

TFM:md
100-17120
1 cc 121-847

INDEXED - 74

65-56402-3853

NOT RECORDED

55 OCT 16 1950

INITIALS ON ORIGINAL

OCT 25 1950

FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION

OCT 16 1950

TELETYPE

Mr. Tolson	<input checked="" type="checkbox"/>
Mr. Ladd	<input checked="" type="checkbox"/>
Mr. Clegg	<input type="checkbox"/>
Mr. Glavin	<input type="checkbox"/>
Mr. Nichols	<input checked="" type="checkbox"/>
Mr. Rosen	<input type="checkbox"/>
Mr. Tracy	<input type="checkbox"/>
Mr. Harbo	<input checked="" type="checkbox"/>
Mr. Belmont	<input checked="" type="checkbox"/>
Mr. Mohr	<input type="checkbox"/>
Tele. Room	<input type="checkbox"/>
Mr. Nease	<input type="checkbox"/>
Miss Gandy	<input type="checkbox"/>

WASH FROM NEW YORK

18A

16

10-04 P

DIRECTOR

URGENT

ATTN. MR. L. L. LAUGHLIN

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED

DATE 12-1-78 BY 922/gh

5/28/88 3042 PWS/AB

GREGORY, ESP-R. RE TELEPHONE CALL FROM INSPECTOR L. L. LAUGHLIN
TO ASAC W. M. WHELAN IN THE MATTER OF SAAG T. J. DONEGAN-S CALL TO
ASSISTANT TO THE DIRECTOR D. M. LADD ABOUT BRUNINI-S COLLABORATION
WITH BENTLEY ON HER NEW BOOK. SAAG DONEGAN ADVISED ASAC WHELAN
THAT HE HAD CALLED THE BUREAU AND REPORTED THAT BRUNINI HAD ADVISED
HIM TODAY THAT HE /BRUNINI/ HAD BEEN COLLABORATING WITH MISS BENTLEY
IN THE WRITING OF HER NEW BOOK AND THAT MISS BENTLEY AND THE PUBLISHER
OF THE BOOK WERE RECOMMENDING THAT BRUNINI RECEIVE THE REGULAR
PUBLISHER-S FEE TO WHICH A COLLABORATOR IS ENTITLED. BRUNINI FURTHER
ADVISED MR. DONEGAN THAT HE ASSISTED MISS BENTLEY IN MAKING ARRANGE-
MENTS WITH THIS PARTICULAR PUBLISHER TO PUBLISH THE BOOK. HE FURTHER
STATED TO MR. DONEGAN THAT BENTLEY HAD ADVISED HIM SHE HAD DISCUSSED
WITH THE FBI WHETHER OR NOT IT WAS OKAY FOR BRUNINI TO COLLABORATE
WITH HER AND FOR HIM TO RECEIVE FEES AS A RESULT THEREOF AND THE
FBI HAD ADVISED HER IT WAS OKAY. BRUNINI FURTHER STATED TO MR.

DONEGAN THAT BENTLEY SAID SHE WOULD PREFER THAT HE, BRUNINI, NOT

END OF PAGE ONE

This serial was reviewed in connection
with the Rosenberg Case and is unclassified
4913 AF/62 5/1/78

5-5
AGB

PAGE TWO

DISCUSS THIS MATTER WITH SAAG T. J. DONEGAN. MR. DONEGAN ADVISED THAT BRUNINI CONTACTED HIM TODAY SEEKING LEGAL ADVISE AS TO THE PROPRIETY OF HIS RECEIVING SUCH FEES, BUT HE ASSURED DONEGAN THAT HE, BRUNINI, HAD NO CONTRACTUAL RELATIONSHIP WITH EITHER MISS BENTLEY OR THE PUBLISHER. SAS T. G. SPENCER AND J. J. DANAHY INTERVIEWED BENTLEY ON OCT. TWELVE LAST IN THE REGULAR COURSE OF PENDING INVESTIGATIONS ON REMINGTON AND BROTHMAN. AT THE CONCLUSION OF THE INTERVIEW, MISS BENTLEY WAS ASKED WHETHER OR NOT HER BOOK HAD BEEN COMPLETED AND SHE RELATED SHE HAD ABOUT TEN OR FIFTEEN MORE PAGES TO WRITE AND THAT SHE WOULD FURNISH THIS OFFICE WITH A COPY AS SOON AS THE PUBLISHER HAD RECEIVED THE ENTIRE STORY. AT THAT TIME SHE STATED IT WOULD BE NECESSARY TO HAVE THE BOOK READ FOR GRAMMATICAL SETUP AND FOR ANY LIBELOUS STATEMENTS THAT MIGHT BE CONTAINED THEREIN AND STATED THAT, IN CONNECTION WITH THE PROOFREADING OF THE BOOK, THIS JOB WAS GOING TO BE DONE BY BRUNINI. SHE RELATED TO AGENTS THAT BRUNINI WAS A LITTLE CONCERNED ABOUT ACCEPTING THE JOB OF (u)

END OF PAGE TWO

PAGE THREE

PROOFREADING THE BOOK IN VIEW OF THE FACT THAT HE HAD BEEN THE FORE-
MAN OF THE GJ BEFORE WHICH MISS BENTLEY TESTIFIED AND WHICH GRAND
JURY INDICTED REMINGTON. SHE SOUGHT AGENTS ADVISE AS TO WHETHER
OR NOT BRUNINI COULD DO THIS WITH PROPRIETY AND AS USUAL WHENEVER
MISS BENTLEY HAS SOUGHT ADVISE FROM AGENTS, SHE WAS GIVEN NONE.
MISS BENTLEY DID NOT INDICATE THEN OR AT ANY PREVIOUS TIME THAT SHE
HAD BEEN COLLABORATING WITH ANYONE IN THE WRITING OF THIS BOOK.
THIS PARTICULAR FACT WAS NOT REPORTED TO THE BUREAU IN VIEW OF THE
FACT THAT BRUNINI IS KNOWN BY THE AGENTS WHO INTERVIEWED MISS BENTLEY
TO BE AN OFFICER IN THE CATHOLIC POETRY SOCIETY AND, IT WOULD, THERE-
FORE, APPEAR THAT HE WAS BEING UTILIZED NOT FOR HIS KNOWLEDGE GAINED
BEFORE THE GRAND JURY, BUT FOR HIS KNOWLEDGE AND ABILITY IN REVIEWING
BOOKS AND GAINED BY WORKING IN THE LITERARY FIELD. THE AGENTS
REPORT THAT, ON THIS INTERVIEW, BENTLEY DID NOT MENTION ANYTHING
ABOUT FEES TO BE RECEIVED BY BRUNINI (U)

HOLD

1. ~~It~~ should have been reported
2. ~~neither~~ Bentley nor anyone else should be advised by
3. This speaking for money by witnesses & even

*For reasons of G.I. will certainly not be
adversely affected by coming public. 2. xi.*

SAC, New York

October 17, 1950

Director, FBI

SECURITY
ESPIONAGE - R

RECORDED

Reurlet October 16, 1950, wherein you report information concerning a contact between Elizabeth F. Bentley and agents of your office on October 12, last. (U)

Obviously information furnished by Bentley concerning her association with Brunini should have been reported to the Bureau immediately. It should have been apparent that this association between Bentley and Brunini, the Foreman of the Grand Jury before which Bentley testified and which indicted William Walter Remington, was one which would most certainly react adversely if the information became known to the general public. Agents of the New York Office are correct in not furnishing advice to Bentley or to anyone else who requests such as was indicated in your referenced teletype.

You are requested to call this matter to the personal attention of the agents who handled Bentley and you should be particularly alert that matters such as this are promptly reported to the Bureau in the future. (U)

G. I. R. - 7

OCT 18 9 48 AM '50
RECEIVED READING ROOM
F B I
U. S. DEPT. OF JUSTICE

Tolson _____
Ladd _____
Clegg _____
Glavin _____
Nichols _____
Rosen _____
Tracy _____
Harbo _____
Belmont _____
Mohr _____
Tele. Room _____
Nease _____
Gandy _____

WAB:epw MAILED 17
OCT 18 1950
COMM - FBI

58 NOV 7 1950

RECEIVED - FBI
OCT 18 15 44 PM '50

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 12/1/78 BY 9801/MLT
5/29/88 3842 P.W. 1/108

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 6/3/83 BY SP5 [signature]

5/26/88

3042 PW [signature]

65-56402-3855
CHANGED TO
134-485-28

FEB 26 1953

1-78

Office Memorandum • UNITED STATES GOVERNMENT

TO : MR. BELMONT

DATE:

FROM : D. M. Ladd

October 16, 1950

SUBJECT:

Tolson _____
 Ladd _____
 Clegg _____
 Glavin _____
 Nichols _____
 Rosen _____
 Tracy _____
 Harbo _____
 Mohr _____
 Tele. Room _____
 Nease _____
 Gandy _____

Mr. T. J. Donegan called from New York today and advised that the foreman of the former Grand Jury, Mr. Brunini, had contacted him and stated that he has been helping Elizabeth Bentley on her book; that he has, however, taken no money. He stated that Bentley did not want Brunini to tell Mr. Donegan about this help, and she claimed to have told the New York Office about it.

It is desired that this matter be checked with New York to see if they have been furnished this information and the details be submitted in a memorandum for the Director.

ALL INFORMATION CONTAINED
 HEREIN IS UNCLASSIFIED
 DATE 6/3/83 BY SP5 RJA/KJS
 5/26/89 3042 PWS

DML:CSH

ADDENDUM: October 16, 1950

I called ASAC Whelan of New York at 5:10 P.M. to determine whether they had received any information concerning the above. Mr. Whelan stated that Mr. Donegan called him this afternoon around 4:00 P.M., after he had talked to Mr. Ladd and stated that Mr. Brunini had told him, Donegan, today that he had been collaborating with Bentley on her book and that she had indicated to Brunini that the publisher and she were interested in seeing that he would get such fees as were due him. According to Mr. Donegan, Brunini asked him for advice as to whether he should accept any fee for work on this matter. Mr. Donegan stated that he told Brunini that under no circumstances should he do this - that this would be very important so far as defense attorneys were concerned in both the Brothman and Remington cases when Bentley testified.

Mr. Whelan advised that he is checking with the Special Agents who handle Bentley and after he has had a chance to talk to them, a detailed teletype will be submitted by the New York Office.

LLL:mer

RECORDED - 64

INDEXED - 64

50 NOV

OCT 24 1950

ASB

385

Office Memorandum • UNITED STATES GOVERNMENT

TO : MR. C. E. HENNRICH

FROM : MR. A. S. BRENT *ASB*

DATE: October 30, 1950

SUBJECT: GREGORY
ESPIONAGE - RClassified by 4413 m/les 5/1/78
Exempt from G. L. Category 2+3
Date of Declassification Indefinite
*Re: Rosenberg Case*Tolson _____
Ladd _____
Clegg _____
Glavin _____
Nichols _____
Rosen _____
Tracy _____
Harbo _____
Mohr _____
Tele. Room _____
Nease _____
Gandy _____Purpose

To advise that a review has been made of 54 files covering the breakdown of the Gregory case. To advise that this review reveals that the facts are still insufficient for prosecution under the espionage or related statutes; that the information received from (s) *will not assist in developing the Gregory case at this time* but further information received in that case may assist; that on October 17, 1950, the Department's attention was directed to the Gregory case in response to its request for information concerning individuals who now become liable to register with the Department under Section 20 of the Internal Security Act of 1950. To recommend that all of the individual cases on the Gregory subjects be reviewed by the Internal Security and Espionage Sections to insure that we take all action possible under this Statute. To recommend that we take action in certain selected cases in an endeavor to obtain productive interviews with the subjects. *TO U*

Current Status of the Gregory Case

You will recall that the field was instructed by letter dated March 11, 1949, to break down this case. I have reviewed 54 files which cover the breakdown of the Gregory case. This review was conducted for the purpose of determining exactly what the picture of the Gregory case is at this time.

I found that during the breakdown of this case, the field submitted reports concerning some of the subjects under characters handled by the Internal Security Section. Other reports were submitted under characters handled by the Espionage Section.

The Internal Security Section handled 33 of these cases. The status of these 33 cases in that section at the present time is as follows:

65-56402

ASB:mpm

DEC 12 1950

*Espionage section**pending over test**case. No overall review**will be made until we**get decision on test cases*

SECRET

RECORDED - 97

DEC 4 1950

14

ASB

4273

65-56402-3856X

6/3/83 SP-5 R/gg/ky
Classified by
Declassify on: OADR
11-8-88
3044 PWT-JAL
C475-1121

Handwritten notes:
b1
FULTON
KATTA
EMRIC
V. B. B.

~~SECRET~~

Pending inactive - 1
Pending - 8
Closed - 24

Total 33

The Espionage Section has handled twenty-one of these cases. These are broken down as follows:

Pending inactive - 2
Pending - 14
Closed - 5

Total 21

I will supervise all of the pending cases in the Espionage Section on the subjects who were taken out of the Gregory Case with the exception of the following four cases which are being supervised as follows:

Joseph Katz - Special Agent Plant
Mary Price - Special Agent Fults
George Perazich - Special Agent Cattaneo
Abraham Brothman - Special Agent Emrich

Joseph Katz and Abraham Brothman are being supervised as shown in view of the developments in [REDACTED] Mary Price is employed as secretary at the Czechoslovakian Embassy. George Perazich is employed by the Yugoslavs in Washington, D. C. ~~SECRET~~ b1

Prosecution

By memorandum dated January 14, 1947, former Inspector E. P. Morgan presented an objective analysis of the Gregory case from a legal and investigative standpoint for the Director. In his memorandum, Mr. Morgan stated, "With the evidence presently available, the case is nothing more than the word of Gregory against that of the several conspirators. The likely result would be an acquittal under very embarrassing circumstances."

~~SECRET~~

~~SECRET~~

On page two of his memorandum, Mr. Morgan notes, "Gregory cannot testify in any instances to whom Golos and his successors delivered the material collected for them"

Mr. Morgan proceeded to analyze the case for prosecution for espionage. In response to the question, "Does the evidence now available establish the obtaining of information with respect to the national defense of the United States, with the intent or reason to believe such information would be used to the injury of the United States, and/or for the benefit of a foreign country?" Mr. Morgan notes that Gregory can testify, generally from recollection, as to the type of information obtained which information, as a type, would probably be construed, considering that a state of war existed, as related to the national defense. However, he observed that we had no one else available to identify this information. It was questionable whether the informant's recollection would be sufficiently definite and detailed, without some corroboration, to sustain conviction. It would be the word of one defendant against that of several others without more, which is always, he observed, "a precarious predicate for an investigation."

It was also noted that "intent or reason to believe such information will be used to the injury of the United States, and/or for the benefit of a foreign country," was an essential element of this offense. It was pointed out that we had no evidence from which "intent or reason to believe" could be proved or reasonably inferred in the case of the Silvermaster or Perlo groups. It was noted that even Gregory could not testify where the information went after leaving her and her admission that she believed it would be used by Soviet Intelligence would not be binding on the other co-conspirators.

Mr. Morgan next took up the question, "Does the evidence available show that subjects had lawful or unlawful possession of any document or note pertaining to the national defense and (a) wilfully transmitted or attempted to transmit the same to any person not entitled to receive it, or (b) wilfully retained the same and failed to deliver it on demand to the officer or employee of the United States entitled to receive it?" In connection with this question, he noted that we have only the statement of Gregory as to the nature of the documents or notes involved, some of which were, according to her, copied or photographed in the basement of the

~~SECRET~~

~~SECRET~~

will it?
Silvermaster home. He observed that under this section it is the document itself, the unlawful possession and transmittal of which is proscribed. He stated that the document must be produced or identified with such definity to show by other facts that it did relate to the national defense. He doubted if Gregory's testimony would go sufficiently far in that direction. He summarized this point by stating that you must produce either the document or, in its absence, show conclusively that it comes within the provisions of the statute which penalizes possession and transmittal of a document. He stated that we did not have the evidence to do this.

Mr. Morgan concluded by stating

1. That the evidence available at that time in the Gregory case was insufficient to assist a successful prosecution under existing Federal statutes.
2. That the investigation as being conducted at that time offered little likelihood of providing corroborative evidence with respect to activities occurring during the association of Gregory with the subjects.
3. That it was highly problematical whether the investigation would establish violations independent of those indicated by Gregory. He observed that without an informant working within the group of subjects, the odds in this respect would be practically nothing.
4. That the principal value of the investigation had been to develop subjects in addition to those indicated by Gregory.
5. That the continuance of the investigation on the basis existing then did not appear justified, inasmuch as the results were largely cumulative except for an occasional new face in the picture.
6. That "Had we been in contact with Gregory during the course of his courier activity, beyond question evidence could have been developed sustaining a prosecution for espionage. Coming in after the event as the Bureau did, we are now on the outside looking in, with the rather embarrassing

~~SECRET~~

~~SECRET~~

"responsibility of having a most serious case of Soviet espionage laid in our laps without a decent opportunity to make it stick. This very circumstance, however, necessitates pursuing more direct methods, particularly since the facts of the Gregory statement are known to several persons and agencies outside the Bureau."

7. That the only hope of salvaging a successful prosecution was (a) to try to make an informant of one of the subjects and/or (b) to interview the subjects hoping that at least one would break and serve as a corroborative witness.

Mr. Morgan noted that if we failed to sufficiently develop one of the subjects as an informant, he doubted whether any more could be accomplished of sufficient value through further investigation based upon the interviews.

Mr. Morgan recommended

- "(1) That one of the subjects of this case, possibly the weakest member, be contacted with a view to making him an informant. This is an outside chance but offers the only reasonable prospect of making a case with respect to contemporaneous and future events.
- "(2) Failing in this respect, the other subjects should be exhaustively interviewed. Since an interview with one would virtually amount to putting all of them on notice, it would seem logical to conduct such interviews as nearly simultaneously as possible.
- "(3) That inasmuch as the case is in the hands of the Department, its approval be obtained before taking the foregoing action.
- "(4) That failing to break any of the subjects, serious consideration be given to exposing this lousy outfit and at least hounding them from the federal service. Several possibilities exist in this regard but this would seem to be a bridge to cross when we get to it." (65-56402-2077)

~~SECRET~~

Since the preparation of the above memorandum by Mr. Morgan, we have interviewed or endeavored to interview the Gregory subjects. We have interviewed some of them on more than one occasion and we have tried to interview some of them on one or more occasions. Many of them have appeared before one of the two Federal Grand Juries that met in New York City from June 1947 to June 1950. Some of them have appeared more than once. Many of the subjects have appeared before the House Committee on Un-American Activities. However, a review of the fifty-four cases reveals that we still have insufficient facts upon which to base prosecution for the violation of the espionage and related statutes because of the reasons noted by Mr. Morgan. It was observed, however, that all of the subjects have left the United States Government.

Perhaps the most important investigative accomplishment since the breakdown of this case was instituted has been the identification of the Unknown Subject, "Jack" as Joseph Katz. However, when this identification was made, Katz was in France where he remains. The chances of obtaining prosecution in this case would be considerably better if we were able to develop Katz as a witness for the Government.

Information Developed in Soviet Re Gregory Subjects

I conversed with Special Agent R. J. Lamphere concerning the information developed in the [REDACTED] on individuals who were involved in the Gregory case. The facts developed in [REDACTED]

It is my understanding that Special Agent E. J. Van Loon will prepare a memorandum which will contain the pertinent information developed in [REDACTED] the individuals connected with the Gregory case. I will channel this information to the appropriate case files.

~~SECRET~~

~~SECRET~~

Special Agent Lamphere advised that he will retain all unidentified subjects [REDACTED] If any of these are identified as Gregory subjects, they will be turned over to me. *BU b1*

The Internal Security Act of 1950

As you know, this statute was enacted "to protect the United States against certain un-American and subversive activities by requiring registration of Communist organizations, and for other purposes."

This statute provides in Section 20 that the Act of June 8, 1938, "an act to request the registration of certain persons employed by agencies to disseminate propaganda in the United States and for other purposes," be amended to add the following paragraph:

"(5) any person who has knowledge of or has received instruction or assignment in the espionage, counterespionage, or sabotage service or tactics of a government of a foreign country or of a foreign political party, unless such knowledge, instruction, or assignment has been acquired by reason of civilian, military, or police service with the United States Government, the governments of the several States, their political subdivisions, the District of Columbia, the Territories, the Canal Zone, or the insular possessions, or unless such knowledge has been acquired solely by reason of academic or personal interest not under the supervision of or in preparation for service with the government of a foreign country or a foreign political party or unless, by reason of employment at any time by an agency of the United States Government having responsibilities in the field of intelligence, such person has made full written disclosure of such knowledge or instruction to officials within such agency, such disclosure has been made a matter of record in the files of such agency, and a written determination has been made by the Attorney General or the Director of Central Intelligence that registration would not be in the interest of national security."

By memorandum dated September 26, 1950, the Criminal Division of the Department advised that it would be interested in receiving any information the Bureau might have regarding individuals who now become liable to register with the Department under Section 20 of the Internal Security Act of 1950, and also

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requested that the Criminal Division be advised of the identities of persons concerning whom a written determination might be made by the Attorney General that registration would not be in the interest of national security.

The Bureau advised the Department by letter dated October 17, 1950, that the problems raised in its memorandum were being given consideration and it was called to the Department's attention that in the meantime it might wish to review the case of "Nathan Gregory Silvermaster, was., et al," and the case of "Jay David Whittaker Chambers, was. et al, Perjury, Espionage - R and Internal Security - R," both of which are replete with individuals falling under each category.

It is suggested that the individual cases on the Gregory subjects be reviewed by the Espionage and Internal Security Sections to determine whether the cases should be presented to the Department for a ruling on Section twenty.

Possibility of Developing the Gregory Case Through Concentrated Investigation on Certain Subjects

As noted previously in this memorandum, there are many things that could occur in the future which would develop this case and probably lead to successful prosecution. Joseph Katz might talk. We might obtain information through [REDACTED] (S) one of the important subjects may unexpectedly talk. It appears to me that we face the choice of waiting with the hope that some of these possibilities will be realized or we can proceed in certain selected cases with an investigation designed primarily to develop successful interviews with some of the Gregory subjects. *W* *61*

As noted above, most of the subjects in the Gregory case have been interviewed or attempts have been made to interview them. At the present time there is no indication that any of them will talk. In view of this situation, it is believed that we should concentrate our investigative efforts on the subjects who really have the information which may result in successful prosecution. It is realized that we are dealing with callous individuals. However, it is felt that we should concentrate our investigative efforts at

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this time on trying to find a weak spot in the armors of these people which will enable us to obtain successful interviews with them. After a review of the fifty-four cases concerning individuals who were formerly connected with the Gregory case, I have selected certain cases which appear to me worthy of additional investigative efforts as stated above. These cases are:

1. Anatole Boris Volkov
Security Matter - C *nl*
100-329903

Volkov is the son of Helen Silvermaster by a former marriage. This case was closed by the field in June 1950 in view of Volkov's apparent lack of activity. At that time, he was a research assistant in the Civics Department of the University of Wisconsin at Madison, Wisconsin. By letter dated November 21, 1949, the Charlotte office reported

[REDACTED] b7D

Gregory advised that Volkov was regarded as a good Communist and on occasions would come to New York and deliver to her material that had been gotten together in the Silvermaster home. *nl*

On June 17, 1947, Volkov was interviewed by agents of the Charlotte office, at which time he denied the allegations of Gregory. He volunteered that he was not a member of the Communist Party and had never attended any of the meetings and was not associated with anyone whom he knew was a member of the Communist Party. It is believed that if we concentrate on Volkov and are successful in obtaining additional witnesses who will testify concerning his Communist Party membership and activity, we will have grounds for a reinterview with Volkov or may be able to have him brought before a Federal Grand Jury to establish a perjury violation. All of this, it is felt, will affect the Silvermasters and may possibly persuade them to cooperate with the Government.

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2. William Ludwig Ullman
Security Matter - C
100-364197

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It is believed that we should concentrate on Ullman, who is the subject of a pending case, in view of the fact that he is alleged to have photographed the documents for Silvermaster and he may be able to identify some of the classified material which was furnished to Silvermaster by members of his group.

The relations between Ullman and the Silvermasters appear unusual. He came to Washington, D. C. in approximately 1935. Shortly thereafter he began to live with the Silvermasters and has continued to reside with them. He has no background of Communist activities. He apparently comes from a loyal American family. His parents reside in Springfield, Missouri, and he has a sister who lives in New York City. When interviewed in April of 1947, Ullman appeared as being the weakest member of the triangle.

It appears that the Silvermasters have always watched Ullman very carefully. It also appears that he never gets very far away from them.

A recent report from the Newark Office reflects an interview by our Special Agents on August 31, 1950, with Jesse Thompson, who worked for Silvermaster and Ullman as a carpenter in Harvey Cedars, New Jersey for about three years up to July 1950. Thompson commented on Silvermaster as a personality. He stated among other things that Silvermaster was a man of a very high nervous, erratic and taciturn nature. He advised that Silvermaster apparently is in constant fear of something. He feels sure that Silvermaster is not a well man, either mentally or physically. He explained these statements by saying that should a car or strangers appear anywhere near the vicinity, both Ullman and Silvermaster go into a whispering conference and there is much anxiety and nervousness displayed by both of them until the cause is removed.

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Mr. Thompson stated that the two men exhibited a tremendous amount of distrust toward each other and that each is constantly checking on the whereabouts and activity of his partner. He said even if one goes to the post office to pick up the mail without the other, the one who did not go would begin making checks among the other workers on the construction job to determine how long the other had been gone and what mail had been picked up. He said that a like attitude was displayed by Silvermaster and Ullman in everything they did. He believed that a love triangle existed between Silvermaster, his wife Helen, and Ullman and was responsible for this distrust. (101-786-130)

As you know, it is a common practice in the course of criminal investigations conducted by the Bureau to contact parents and other relatives of the subject, if such action is deemed appropriate. It is believed that we should explore this possibility in the case of Ullman. If it is determined that Ullman's parents and sister are loyal Americans, it is believed that we should contact them for information concerning Ullman and particularly any information which may lead to a successful interview with him. It may be that they will in some way assist the Bureau in obtaining Ullman's cooperation. Undoubtedly, an interview with them would disturb Ullman if it came to his attention.

3. Duncan Chaplin Lee
Security Matter - C
100-364413

Duncan Lee and his wife were interviewed by the Washington Field Office on May 29, 1947. Both were quite nervous and upset. He was shaking considerably and did not stop trembling until the interview had progressed for approximately one hour. He appeared before the HCUA on August 10, 1948. Washington Field has reported that there are seven discrepancies in Lee's HCUA testimony and the information he furnished our Special Agents. It is believed that a thorough review of the investigation concerning Lee might be productive.

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It is again suggested that there may be a way of persuading Lee to talk by interviewing his parents and relatives. Lee comes from an old prominent Virginia family and it is possible that if we start with his parents and relatives he may become cooperative. If these interviews draw complaints from him, then it is felt that we would be in a position to interview him thoroughly concerning the noted discrepancies. The Security Matter - C case of Lee was closed by Washington Field Office report of September 26, 1949.

4. Abraham George Silverman
Security Matter - C
100-363633

The Bureau has made several attempts to interview Silverman. His case is now closed. Our latest was in early September 1950 after his testimony before the HCUA. This met with negative results. We have also endeavored to interview his wife, Sarah, with negative results. Mr. T. Vincent Quinn, former Assistant Attorney General in Charge of the Criminal Division, once stated that if Silverman talked he probably would be able to prosecute not only the conspiracy case but also a substantive violation, in that Silverman might be able to identify certain classified material furnished to the Silvermasters. (Memorandum from Mr. Ladd to the Director dated July 10, 1947, 65-56402)

You will also recall that Silverman was involved in the Jaham case. He is in a position to furnish us considerable information if he could be persuaded to do so. In the course of our past investigation of him, we have endeavored to use the third party approach, but this method has been unproductive. It is believed that we should give consideration to interviewing Silverman's son, Richard, who is grown and in 1947 was attending Harvard University. Richard should be able to furnish us information concerning his father's associates in Washington, D. C., particularly some of the individuals who were involved in the Gregory case. It is believed that Silverman would be very sensitive to an approach to his son. It is felt that an interview with Richard Silverman would disturb his father and might be the thing which will cause Silverman to cooperate with us.

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5. Robert Talbot Miller, III
Internal Security - R
101-6611

It is believed that we should give consideration to closing in on Miller by talking to his father, who is a prominent New England physician. We have never talked to his father or any of his relatives and it may be that such interviews might persuade Miller to cooperate with us. At the present time, Miller is an associate of Randolph Feltus in the firm of Randolph Feltus Associates, Public Relations, New York City.

6. Victor Perlo
Security Matter - C
100-362128

He is the subject of a pending case being supervised by the Internal Security Section. He was, of course, the leader of the Perlo group in Washington, D. C. It is believed that we should give consideration to interviewing his parents for whatever information they may have concerning his Communist activities. It is to be noted that Perlo continues his contacts with Communists and Communist front groups.

Recommendation

1. That the Internal Security and Espionage Sections review their respective cases on the Gregory subjects to insure that we take all action possible under the Internal Security Act of 1950.

2. That a thorough review be made of the files on the individuals mentioned above to determine whether we should interview their relatives in an endeavor to persuade these subjects to cooperate with the government. It is believed that the investigations should now be directed toward making these subjects talk.

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3. That the review be made by the Espionage Section.
4. That the pending cases on Ullman and Perlo be transferred from the Internal Security Section to Espionage for review in accordance with the suggestions contained in this memorandum.

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OFFICE INVESTIGATION • UNITED STATES GOVERNMENT

TO : Director, FBI

DATE: October 18, 1950

FROM : SAC, New York

SUBJECT: GREGORY
ESPIONAGE - R

Attention: Mr. Leo Loughlin

There is enclosed a photostatic copy of a memorandum prepared by JOHN GILLAND BRUNINI in connection with his association with ELIZABETH BENTLEY, particularly concerning the book which she is presently writing. This memorandum was made available to this office through SAAG T. J. Donegan.

TGS:RAA
65-14603

Enclosure

G. I. R. - 7

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 6/3/83 BY SP-5 [signature]

5/26/88 3042 PWS/AB

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mem
ENCLOSURE ATTACHED

RECORDED - 113

INDEXED - 113

165 56402-3857
OCT. 19 1950

Laughlin
Hennrich
Brennan
Punch

NOV 16 1950

NOV 7 1950

I met Elizabeth Bentley for the first time when she appeared before the Federal Grand Jury in the winter of 1949 to testify before that body in a two-day session. My next meeting with her was on May 12, 1949. On that date she addressed the Catholic Institute of the Press of which I was then a member. After the meeting held at the Governor Clinton Hotel, I met friends who, having a car, asked to drop me off on their way uptown. Immediately after - had accepted, I learned they had had extended the same invitation to Miss Bentley and the priest-moderator of the Institute. The latter was left at his residence and the four of us then stopped in Longchamps, 4000 Lexington Ave., for a short time.

My next meeting with Miss Bentley was in January 1950 when we had lunch together at the Corrodore. She had informed me that she was in the city on a visit from Mundelein College, that there she shared a faculty office with an old friend of mine and had asked her to go home. She explained she was leaving Mundelein at the end of the semester and discussed with me a projected book she was planning to write. Her difficulty was that with teaching and writing with the T.I. she did not have the opportunity to write, and teaching in a part-time job was a necessity. I suggested that it was likely possible for some publisher to give her a contract to write a book, projected book; and volunteered to make some inquiries in the matter. As an editor and writer, I have many contacts in the publishing field. Two publishers, whom I was seeing at that time, were interested but not specifically so.

On even of March 7, I had lunch with Devin Garrity, of the Levin-Adair Co., to discuss a book his firm was publishing and which I was editing for autumn publication. I mentioned Miss Bentley's book project and he became immediately interested. Accordingly on March 14, Miss Bentley having returned to New York from Chicago, I arranged a meeting between her and Mr. Garrity in my office. As a result of this meeting, it was fairly well understood between them that Mr. Garrity would publish the book but nothing was said about the matter, vital to Miss Bentley, of an advance. It was not until Mar. 27th, when the Grand Jury had recessed until June 15 on which date it was to be formally discharged, that a preliminary understanding was reached at a lunch attended by Miss Bentley, Messrs. Garrity and Adams (Asst. of Levin-Adair), and me. The agreement made then between Miss Bentley and the firm was as follows: Levin-Adair would pay her \$150 (this sum was immediately advanced to her) and take an option on the book; Miss Bentley would furnish the firm with an outline and sample chapter, and on the basis of these Levin-Adair would determine if it would live down a contract. My part in these proceedings was that of a mediator and an adviser.

Miss Bentley was seemingly entirely unfamiliar with publishing procedure and obviously needed literary advice even in drafting an outline and writing a chapter. Accordingly I gave her what assistance I could at various meetings during that period. Later when the manuscript prepared by her was submitted to Levin-Adair, there were delays in its going into Levin-Adair's final decision. Eventually, as I have been told, a contract--the usual form of Williamson's contract with authors--was signed between Levin-Adair and Miss Bentley. I do not know

the actual date for I was not present at the time and have never seen a copy of the signed contract. I do not know what the contract given Miss Bentley was for, and I have never seen it or heard of it, that, and obviously, since I am not a party to the contract, I have no financial interest in the amount.

I am not a literary agent by profession or occupation. Actually in aiding Miss Bentley to secure a contract from a publisher, I performed a service gratuitously, giving her a literary opinion and charging a 10% fee of all proceeds from a book. The service, however, prevails between me and Miss Bentley on the one hand, and with me and the publisher on the other. I have received not a penny from either nor is there any understanding under which I shall receive any money from Miss Bentley's book. The assistance I gave Miss Bentley was entirely that of a person befriending a woman who needs help; and who still needs help--a woman who, moreover, I am convinced is doing performing gratis a very valuable service to the United States Government.

On Tuesday, May 9, the Grand Jury was called back into session by the government to consider a matter involving a witness who has not been previously before it. From that date, I did not again see Miss Bentley until she appeared as a witness before the Grand Jury, a date I do not have but which the records will reveal. I next saw Miss Bentley on June 14 in the office of Levin Adair where she consulted me briefly about royalty provisions, etc., in the contract form. I advised her the form was the usual one and left. I do not know if the contract was signed then but my information by hearsay was that the publisher did not have it ready for signing until several days

Step. I am not sure if it is one or two weeks
later. I saw Miss Bentley, who had been a girl, signed to the
test. I am not sure what I have told by either Messrs. Gentry
or Bentley.

According to my best recollection, did not see Miss Bentley,
I saw her once or twice, I am not sure, until some time
in early August. In that occasion, I was driven up to Westport with
Mr. Gentry, I saw several chapters of the Bible, and discussed
the progress of the work of Mr. Gentry.

John William Gentry
John William Gentry

Oct. 17, 1850

243
NOV 18 1950
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15-56402-3858
CHANGED TO
65-57905-60

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 6/3/83 BY SP5 MJA/ky
5/26/88 3042 PLW/AB

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HEREIN IS UNCLASSIFIED

DATE 6/3/83 BY SP-5 *[signature]*
5/26/88 3042 PWS/AB

DEC 8-1950

65-26402-3859

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XXXXXXFEDERAL BUREAU OF INVESTIGATION
FOIPA DELETED PAGE INFORMATION SHEET

_____ Page(s) withheld entirely at this location in the file. One or more of the following statements, where indicated, explain this deletion.

- ☐ Deleted under exemption(s) _____ with no segregable material available for release to you.
- ☐ Information pertained only to a third party with no reference to you or the subject of your request.
- ☐ Information pertained only to a third party. Your name is listed in the title only.
- ☐ Documents originated with another Government agency(ies). These documents were referred to that agency(ies) for review and direct response to you.

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65-56402-3860 enclosure

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Mr. Tolson	✓
Mr. Ladd	✓
Mr. Clegg	✓
Mr. Glavin	✓
Mr. Nichols	✓
Mr. Rosen	✓
Mr. Tracy	✓
Mr. Harbo	✓
Mr. Mohr	✓
Mr. Nease	✓
Miss Gandy	✓

NOV 22 1950
21

WASH FROM NEW YORK
DIRECTOR URGENT

22 A 26 11-50 P
This serial was reviewed in connection with the Rosenberg Case and is unclassified, 4913 AP/kac 5/1/78

ATT..... INSPECTOR CARL HENNRICH
ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED
DATE 12-1-78 BY SP1/gwh 5/26/88 3042 PWS/MS
RE GREGORY, ESP - R. RE TEL CALL BETWEEN ASAC WHELAN AND INSPECTOR HENNRICH, OCT. TWENTY SIX, NINETEEN FIFTY. ELIZABETH BENTLEY, FOLLOWING A CONFERENCE ON OCT. TWENTY FIVE, FIFTY WITH SAAG DONEGAN AND USA SAYPOL IN WHICH AMONG OTHER THINGS SHE REQUESTED PERMISSION TO MAKE PUBLIC APPEARANCES PRIOR TO THE TRIALS OF THE REMINGTON AND BROTHMAN CASES AND IN WHICH SHE WAS ADVISED BY DONEGAN AND SAYPOL CLEAR WITH THEM PRIOR TO ACCEPTING ANY SPEECHES, CONTACTED THE NYO AND FURNISHED THE FOLLOWING INFO. BENTLEY STATED THAT ON OCT. FIFTEEN, FIFTY SHE HAD BEEN IN CONTACT WITH MISS DORIS STEVENS WHO IS ALSO KNOWN AS MRS. JONATHAN MITCHELL. MISS STEVENS IS A PROMINENT FEMINIST CLUB WOMAN AND WRITER. BENTLEY TOLD MISS STEVENS ABOUT BENTLEY-S CONNECTION WITH ABRAHAM BROTHMAN. ACCORDING TO BENTLEY, SHE TOLD THIS STORY IN GENERAL TERMS BUT DID STATE THE MANNER IN WHICH SHE HAD MET BROTHMAN AND THE TYPE OF WORK BROTHMAN WAS DOING ON AN ESPIONAGE LEVEL. BENTLEY STATED SHE FELT THAT SHE MADE A RATHER GRAVE MISTAKE IN MAKING THIS INFO AVAILABLE FOR THE FOLLOWING REASONS... MISS STEVENS HAS RECENTLY REPRESENTED REBECCA WEST, A WELL KNOWN BRITISH NOVELIST WHO IS GATHERING CURRENT

PAGE TWO

INFO ON AMERICAN ESPIONAGE CASES FOR THE INCLUSION IN A REVISED EDITION OF A RECENT BOOK PUBLISHED BY REBECCA WEST CONCERNING TRAITORS IN ENGLAND. BENTLEY EXPRESSED THE FEAR THAT MISS STEVENS MIGHT RELAY THIS INFO TO REBECCA WEST AND IT MIGHT BE INCLUDED IN REBECCA WEST-S REVISED BOOK PRIOR TO THE TRIAL OF THE BROTHMAN CASE. FOR THE INFO OF THE BUREAU, MISS STEVENS HAS BEEN MOST COOPERATIVE WITH THE NYO DURING THE INVESTIGATION OF ALGER, HISS AND WILLIAM WALTER REMINGTON. RECENTLY MISS STEVENS HAS SOLICITED THE ASSISTANCE OF THIS OFFICE TO PROCURE FOR HER PRESS RELEASES ISSUED BY THE BUREAU ON THE GOLD, GREENGLASS AND RELATED ESPIONAGE CASES ARISING FROM THE FUCHS CASE. AT THAT TIME MISS STEVENS WAS ADVISED THAT SUCH RELEASES HAD BEEN MADE BY THE BUREAU AT WASHINGTON AND THAT SHE SHOULD PROPERLY DIRECT HER REQUEST FOR THIS INFO TO THE BUREAU. AS A MATTER OF COOPERATION, OCT. SEVENTEEN, FIFTY, A LETTER WAS DIRECTED TO THE BUREAU CAPTIONED " DORIS STEVENS, INFO CONCERNING, ATTN. ASSISTANT DIRECTOR L. B. NICHOLS". IN THIS LETTER THE NATURE OF MISS STEVENS REQUEST WAS OUTLINED AND THE BUREAU WAS ADVISED OF HER IDENTITY AND THE FACT THAT SHE MIGHT WRITE TO (u)

END OF PAGE TWO

PAGE THREE

THE BUREAU FOR THESE PRESS RELEASES. IN ACCORDANCE WITH THE REFERENCED TELEPHONE CALL AND UNLESS ADVISED TO THE CONTRARY BY THE BUREAU, ON OCT TWENTY SEVEN, NINETEEN FIFTY THE FACTS SET FORTH ABOVE WILL BE CALLED TO THE ATTENTION OF SAAG DONEGAN FOR HIS INFO AND WHAT-
EVER ACTION HE MIGHT DESIRE TO TAKE IN THIS MATTER. (u)

SCHEIDT

HOLD

CC: Mr. Belmont
Mr. Tamm

Office Memorandum • UNITED STATES GOVERNMENT

TO : DIRECTOR, FBI

DATE: August 29, 1950

FROM : SAC GUY HOTTEL, WASHINGTON FIELD

SUBJECT: NATHAN GREGORY SILVERMASTER, was., et al
ESPIONAGE - R

SECRET

Re: ARTHUR ALLEN GOLDSTEIN;
JUDITH GOLDSTEIN

11-287
3042 PWT-JAH
CA 75-1121
6/3/83
Classified by SP5 Jgk
Declassify on: OADR

Reference is made to the telephone call from Mr. GLAVIN, Assistant Director, to SAC GUY HOTTEL, of the Washington Field Office, on August 25, 1950. Mr. GLAVIN requested that one RICHARD HAMPTON be interviewed concerning the alleged Communist activities of a camera salesman in Washington, D.C.

On August 28, Mr. ELMER RICHARD HAMPTON, who resides at 8 Chillum Road, Hyattsville, Maryland, and who is employed as a Salesman at the General Baking Company, 2164 Georgia Avenue, N.W., Washington, D.C., was interviewed by Special Agent JOHN M. deBETENCOURT of this office. Mr. HAMPTON advised that his wife, DOROTHY HAMPTON, is employed at the Brenner Photo Company, 933 Pennsylvania Avenue, N.W., as a Bookkeeper. According to HAMPTON, his wife has told him that one ARTHUR GOLDSTEIN, who was also employed at the Brenner Photo Company as a camera salesman, took up a collection among negro persons observing a demonstration by an alleged CIO organization at the Department of Justice Building about a year ago. HAMPTON stated that he had no first-hand knowledge of any activities by GOLDSTEIN but commented that his wife believed that GOLDSTEIN's wife was employed in the Bureau in the Department of Justice Building. According to HAMPTON Mrs. HAMPTON seems to believe that GOLDSTEIN has Communist leanings because he did attempt to raise funds for the picketing members of the demonstration mentioned above.

HAMPTON also stated that his wife has told him that GOLDSTEIN's mother-in-law, the mother of JUDITH GOLDSTEIN, is believed to be employed at the Central Intelligence Agency in Washington, D.C. HAMPTON further stated that GOLDSTEIN is supposed to have a pass to enter the CIA and is believed to be the salesman for the Brenner Company at the CIA for camera equipment.

The files of the Washington Field Office reflect that on March 19, 1946, a letter was directed to the Director concerning ARTHUR ALLEN GOLDSTEIN as a result of a request to conduct a discreet preliminary investigation to identify GOLDSTEIN. It was pointed out in this letter that Mrs. JUDITH GOLDSTEIN, nee GOLDBERG, was employed in the Anti-Trust Division of the Department of Justice and resided with her husband, ARTHUR GOLDSTEIN, at 1440 Chapin Street, N.W., in Washington, although her legal residence was furnished as New York. It was noted that the personal history from whence this information was

JMdB:dm

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ALL INFORMATION CONTAINED
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DATE
10-28-82

9/26/80
WJW

MEMO TO DIRECTOR, FBI
RE: NATHAN GREGORY SILVERMASTER, was, et al

August 29, 1950

SECRET

taken was dated September 4, 1945. In it she indicated that she was born in Vladivostok, Russia, on August 6, 1923; was naturalized in the United States at Boston on June 12, 1939, and was the daughter of ALEXANDER GOLDBERG, born in Warsaw, Poland, and JENNIE WEINSTEIN, who was born in Odessa, Russia. ARTHUR GOLDSTEIN's employment was shown to be with the Brenner Photo Company, and a credit report at Stone's Mercantile Agency in Washington, D.C., reflected that as of April 4, 1945, he was the Manager of this company but that since September, 1944, had been employed as a Salesman.

[REDACTED]

[REDACTED]

referred

In this letter of March 19, 1946, it was advised that DONALD MURRAY, Publicity Director of the United Federal Workers of America, CIO, commented that JUDITH GOLDSTEIN and her husband "are nice, progressive people" and that "they are FM liberals and as far as I know participate only in the cooperative movement." This letter pointed out that on February 27, 1946, that [REDACTED]

[REDACTED]

(S) b1

According to the report of SA BRENTON S. GORDON, dated June 12, 1946, at Boston, Massachusetts, in the instant captioned case, it is reflected on page seven that both JUDITH GOLDSTEIN and JENNIE GOLDBERG, mother of JUDITH, were interviewed in 1942 as applicants for positions in the FBI. This report shows that JUDITH was unfavorably recommended as indicated on pages seven and eight of this report. On these pages also is considerable background information concerning JUDITH GOLDSTEIN.

The report of SA LAMBERT G. ZANDER, dated April 15, 1946, at Washington, D.C., in the above captioned matter, also furnishes information concerning the background of JUDITH GOLDSTEIN and ARTHUR ALIEN GOLDSTEIN. This report shows that GOLDSTEIN was born on May 1, 1918, at Kings County, New York, which also was furnished as his legal address. This information was taken from a personnel information sheet dated March 16, 1942.

SECRET

MEMO TO DIRECTOR, FBI
RE: NATHAN GREGORY SILVERMASTER, was, et al

August 29, 1950

SECRET

The report of SA LAMBERT G. ZANDER, dated May 2, 1946, at Washington, D.C., in this case, reflects that when interviewed for a position with the Bureau at Boston on August 4, 1942, JUDITH GOLDBERG was applying for the position of typist but was unfavorably recommended. September 1942, the mother of JUDITH GOLDBERG, JENNIE GOLDBERG, was also interviewed but for the position of translator and was unfavorably recommended. This report indicates that there is in the possession of the Bureau a photograph of JUDITH GOLDBERG and JENNIE GOLDBERG.

In a letter dated December 15, 1947, from the Washington Field Office to the Director in the case entitled SODAC, Washington, D.C., Internal Security - R, it was advised that [REDACTED] b1

The report of SA EDWARD W. DOOLEY, dated April 12, 1946, at New York, in the instant case, on page forty two, furnishes information concerning ARTHUR ALLEN GOLDSTEIN. [REDACTED] b7c

Mrs. DOROTHY HAMPTON was interviewed at the Washington Field Office on August 29th by SA deBETTEENCOURT at which time she advised that she is employed as a Bookkeeper at the Brenner Photo Company. She stated that she has known GOLDSTEIN as a salesman at this concern for approximately three years, her period of employment there. Mrs. HAMPTON stated that apparently her husband had been mistaken with regard to the information concerning GOLDSTEIN's efforts to raise money for a demonstration at the Department of Justice Building, inasmuch as the activity she had in mind was the occasion when about two years ago the United Cafeteria Workers - CIO was on strike. She stated also that the only activity in that regard to her knowledge on the part of GOLDSTEIN was that he asked one of the negro female employees at the company whether she was going to contribute something towards the fund for the striking workers. Mrs. HAMPTON stated that GOLDSTEIN is not too intelligent and in her opinion would not be capable as an espionage agent mainly because he is lazy, inattentive to details and is not known by her to have any known contacts at any of the embassies.

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MEMO TO DIRECTOR, FBI
RE: NATHAN GREGORY SILVERMASTER, was, et al

August 29, 1950

SECRET

She clarified this by stating that he has handled dealings with members of the Soviet and Yugoslav Embassies with regard to purchases of camera equipment but believes that is as far as his relationship with such people is concerned.

Mrs. HAMPTON stated that she believed that the wife of GOLDSTEIN was employed by the Bureau, or at least she is employed in the Department of Justice Building. With regard to the mother-in-law of GOLDSTEIN, Mrs. HAMPTON stated that she is quite sure that this woman is employed by the CIA and possibly as an interpreter as Mrs. HAMPTON believes she is qualified in eight different languages. Mrs. HAMPTON concluded by stating that she is not suspicious of GOLDSTEIN as being a Communist Party member but indicated that her husband believed that GOLDSTEIN's part in the Cafeteria Workers strike indicated that he has Communist leanings.

The indices of the Washington Field Office do not reflect any information concerning an investigation of JENNIE GOLDBERG or JENNIE WEINSTEIN as an applicant for a position with that agency.

JMdeB:dm
100-17493

SECRET

SECRET

SAC, New York

April 10, 1951

Director, FBI

JOSEPH KATZ, was.
ESPIONAGE - R

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 6/3/83 BY SP5 rjt/ty
5/26/88 3042 PWS/AB

Reference is made to Bureau letter dated February 5, 1951, enclosing copies of a Departmental memorandum dated January 3, 1951, and to New York letter dated March 15, 1951.

This is to advise that the information contained in the referenced letters and the Departmental memorandum and the facts developed in the Katz investigation should be submitted to the Bureau by separate reports in the cases on the individual subjects.

Twenty copies of each of the above communications are enclosed for the New York and Washington Field Offices in order that two copies of each item may be placed, with two copies of instant letter, in the files on the following individuals:

- (1) Unknown Subject, wa., Bill
Unknown Subject, wa., Catherine
- (2) Helen Tenney
- (3) Duncan Lee
- (4) J. Julius Joseph
- (5) Victor Perlo
- (6) Edward J. Fitzgerald
- (7) Allan Robert Rosenberg
- (8) Joseph B. Gregg
- (9) Donald Niven Wheeler
- (10) Gregory.

Four copies of each of the above communications are enclosed for the Seattle Office in order that they may be placed in the Katz and Wheeler files with copies of this letter.

The attention of the Washington Field Office is directed to the Gregory case and the information contained therein which was furnished to Elizabeth T. Bentley by the subjects who were employed by the U. S. Government. It is believed that we should try to trace the information these people furnished to some government record wherever it is possible to do so. Therefore, the Washington Field Office is instructed to review Bentley's statements of November 8 and 30, 1945, the Katz material enclosed herewith and the files on the government employee subjects for the purpose of examining the type of information the employees furnished Bentley. After this has been done, the Washington Field Office should set forth appropriate leads in the employee's case to locate any reports, et cetera, from which the information was taken.

The Washington Field Office should furnish the Bureau and New York Office the results of its review.

65-57913-1 65-57905; 100-363168; 100-364413; 100-214224; 100-362128
Enclosures 100-363704; 101-2667; 100-342716; 100-361126; 65-56402

CC - Seattle (Enclosures)

Washington Field Office (Enclosures)

20 APR 16 1951

DUPLICATE YELLOW

65-57913-216
ORIGINAL FILED IN

NOT RECORDED
132 APR 14 1951

SAC, NEW YORK

February 5, 1951

DIRECTOR, FBI

JOSEPH KATZ, was.
ESPIONAGE - R
New York 65-1491

Reference is made to the investigative summary report of Special Agent Francis W. Zangle, dated November 8, 1950, at New York City, in instant case.

For your information, the above-mentioned investigative summary report was submitted to the Department on December 18, 1950. At that time the Department was asked whether they would authorize prosecution of Katz on the basis of the information contained in the report, whether they considered it advisable to obtain a secret complaint and warrant and/or a secret indictment, and certain other questions concerning the possibility of arresting Katz as an American citizen in Paris and securing his return to the United States. As of January 3, 1951, the Department replied to our memorandum; photostatic copies of their reply are being forwarded herewith for the information of the New York and Washington Field Offices. It will be noted from the Department's memorandum that they desire that Bentley be reinterviewed and that certain additional investigation be conducted. In accordance with their request, the New York Office should immediately review the information previously obtained from Elizabeth Bentley, with particular emphasis being placed on those points which the Department has listed and concerning which they desire additional or clarifying information. When this has been done the New York Office should arrange to reinterview Bentley in an attempt to obtain the requested data.

The Washington Field Office, while awaiting the results of the reinterview of Miss Bentley, should commence a preliminary investigation to locate, if possible, the individuals (or records) through whom the classified nature of the material which Bentley received can be determined. Upon the receipt of any information developed in the reinterview of Bentley, the Washington Field Office should conduct such investigation necessary to bring the Department's request to a logical conclusion.

This matter should be given expeditious and continuous attention at the Bureau. It is extremely anxious to bring this case to a logical conclusion. The Bureau should be kept advised as to your progress in this matter.

65-5713
cc: Washington Field (65-9970)

Enclosure

EXP:hc

STANDARD
11

Office Memorandum • UNITED STATES GOVERNMENT

TO : Director, Federal Bureau of Investigation

FROM : James M. McIVERNEY
Assistant Attorney General, Criminal Division

SUBJECT: JOSEPH KATZ, was.
ESPIONAGE - R

DATE: January 3, 1951
JMY:NES:vb
116-41-15-NEW

CONFIDENTIAL

Relined

The second time Bentley met Katz in New York City, Bentley advised that she passed some material to Katz. It is requested that the Bureau ascertain where Bentley received this material; the nature of the material, and whether the material was written, typed, photographed or given orally. If the source of the material is ascertained, it is requested that the Bureau attempt to establish the classification of the material.

Bentley advised that she met Helen Tenney, an employee with the Office of Strategic Services in Washington, D.C., and received copies of ditto reports from OSS undercover agents all over the world. Bentley recalls obtaining information about a radio pick-up station operated by OSS on Long Island, New York. Bentley stated that she turned most of this information over to Katz and some of the information over to her Soviet contact "Bill." It is requested that the Bureau ascertain what material Bentley turned over to Katz and attempt to establish the classification of such material. Approximate dates the material was received and passed on to Katz should be determined.

CONFIDENTIAL

Bentley met Duncan C. Lee, an employee of OSS in Washington, D.C., and received miscellaneous data concerning OSS operations and information about Japanese agents in China. It is requested that the Bureau ascertain whether this information was transmitted to Katz.

Duncan C. Lee gave Bentley information of a proposal by General Donovan to allow NKVD agents to operate in the United States in exchange for allowing an OSS mission to operate in Russia. Bentley gave the information to Katz. It is requested that the Bureau contact former officials of OSS in an effort to establish the classification of this information at the time it was reported to Katz.

Bentley received information from F. Julius Joseph, an employee of the Japanese Division of OSS, which she turned over to Katz. It is requested that the Bureau obtain more detailed information as to the material Bentley received from Joseph which she turned over to Katz. Former employees of the OSS should be contacted in an effort to establish the classification of the information.

Bentley received information from Victor Perlo, an employee of WPB, concerning airplane production and specification, and where the planes were to be allotted. It is requested that the Bureau obtain more details as to the nature of the material received from Perlo; whether this information was passed to Katz; and the approximate date this information was received and transmitted. Former officials of the WPB should be interviewed to establish the classification of the information at the time it was received by Bentley.

Bentley received information from Edward J. Fitzgerald, an employee of the WPB, concerning all sorts of military data, the production of guns and tanks, specification and other related matters. It is requested that the Bureau further attempt to identify the information so transmitted and obtain from former officials of the WPB the classification of such information during the war, whether Bentley passed this information to Katz, and the approximate date this information was received and transmitted.

Bentley received from Allan Robert Rosenberg, an employee of FEA, prospectus material on what the United States intended to do with Germany after the war. It is requested that the Bureau ascertain information on the classification of this material from former FEA officials; whether Bentley passed this information to subject; and the approximate date the material was received and transmitted.

Bentley received information from Joseph B. Gregg, an employee with the Co-ordinator of Inter-American Affairs, on Communist affairs in Latin America. Gregg also furnished information on the sending of

CONFIDENTIAL

FBI agents to South America during the war. It is requested that the Bureau obtain more details as to the nature of the material received, the classification of the information at the time it was received by Bentley, and the approximate date the information was received and transmitted.

Bentley met Victor Perlo at the apartment of Mary Price in New York City a few days before Christmas 1941, and received information which she turned over to Joseph Katz. It is requested that the Bureau ascertain detailed information as to the nature of the material which Bentley received from Perlo and transmitted to Katz. The classification of the material should be determined by interviewing former officials of the agency from which the material came.

CONFIDENTIAL

Office Memorandum • UNITED STATES GOVERNMENT

TO : Director, FBI

DATE: March 15, 1951

FROM : SAC, New York

SUBJECT: JOSEPH KATZ, was.
ESPIONAGE -R
(Bufile 65-57913)

Rebulet 2/5/51, Departmental Memorandum 1/3/51, and summary report in instant case, 11/8/50.

The Departmental Memorandum comments that the investigative summary does not state that material passed to KATZ was intended for transmission to Soviet authorities. Page 63 of the summary report includes a paragraph in which this matter is taken up. It is stated there that KATZ told BENTLEY that the material she turned over to him eventually found its way to the Russian Embassy in Washington.

Rebulet instructs that the NYO review information previously obtained from BENTLEY. It is pointed out that this was done in preparation for the summary report in instant case and in reviewing the information it was noted that BENTLEY had not distinguished very clearly, during previous interviews, the exact material she collected and passed on to JACK (JOSEPH KATZ) and similar material passed to *BILL". Therefore, she was interviewed on this particular point and the results thereof were incorporated in the summary report along with other information she already furnished about KATZ. As mentioned in the summary report, BENTLEY was not certain in all instances as to which information went to KATZ and which went to "BILL".

In accordance with the request of the Department for more detail as to the classified information passed by BENTLEY to KATZ, BENTLEY was reinterviewed on February 20, 1951 by SAS THOMAS G. SPENCER and FRANCIS W. ZANGLE. BENTLEY had just partly recovered from an illness and was preparing to leave for a month's long vacation in Nassau, so the interview was necessarily shortened. However, some additional information was obtained and it is proposed that after the additional investigation requested hereinafter is done, BENTLEY be reinterviewed thoroughly. The results of the final interview could then be substituted where necessary for portions of BENTLEY's section in referenced summary report.

2cc: Washington Field (65-4970)

FWZ:MRW
65-14913

Letter to the Director
NY 65-14913

On February 20, 1951 BENTLEY stated the material passed to KATZ on their second meeting was information from HELEN TENNEY, which, as described by BENTLEY on page 56 of the summary report, was "ditto" reports from OSS undercover agents all over the world. BENTLEY said she usually held all the material she handled in her possession about twenty-four hours prior to handing it over to KATZ. She read it herself and believes now she could recognize at least some of the material if copies could be produced.

As far as recalling the dates she turned these reports over to KATZ, BENTLEY said she might recall the dates if she saw and recognized copies of the actual material she handled. Generally, however, she places the dates as from early October to late December, 1944, which is the period of her espionage activities during which KATZ acted as her superior. BENTLEY also said that if copies of the actual reports were obtained the dates of these reports would assist her in recalling if they were turned over to "BILL" or to KATZ.

Most of the information BENTLEY obtained from DUNCAN C. LEE was given orally. She believed that if the exact date of LEE's transfer to the Japanese Division of OSS were known, it would assist her in recalling what information from LEE she had turned over to KATZ.

BENTLEY said she would recognize the report on the proposal for exchanging NKVD representatives which J. JULIUS JOSEPH gave her and if she recognized it, she might be able to recall definitely whether it was turned over to KATZ. BENTLEY had previously stated that JOSEPH gave her carbon copies of reports and during the interview of February 20, 1951 added that he gave her some information orally. She did not recall anything further about the type of information JOSEPH gave her during the time KATZ was her superior.

BENTLEY said she obtained a continuous stream of WPB information from VICTOR PERLO and is now unable to state definitely what the information was or to which superior she passed it to. PERLO furnished her information concerning airplane production, specifications, and the places the planes were allocated. BENTLEY said PERLO probably extracted the information from WPB files and typed it himself before passing it to her. BENTLEY said she does not think she could recognize any of the PERLO information even if the original data from whence it came was obtained because it contained so many detailed figures.

Concerning EDWARD J. FITZGERALD, it was noted that he was not employed at the WPB during the pertinent period of BENTLEY's.

Letter to the Director
NY 65-14913

association with KATZ. His record of employment as set out in the report of SA JAMES J. CANAVAN dated 8/10/49, Washington, D.C., in the case entitled, "EDWARD J. FITZGERALD, wa.; SECURITY MATTER-C", shows he was a principal economist at WPB from March 5, 1942 to September 21, 1944, and from September, 1944 to July 14, 1945, Foreign Affairs Economist and Advisor on organizational statistics in the FEA. When this was mentioned to BENTLEY, she stated she had been confused about FITZGERALD's employment and she must have given the WPB information furnished by FITZGERALD to "BILL" and not to KATZ. The paragraph about FITZGERALD in the summary report will be deleted when a revision is made of BENTLEY's information.

BENTLEY said she would definitely recognize the prospectus material on Germany which ALLAN ROBERT ROSENBERG furnished her. She said she passed this material both to "BILL" and KATZ but might be able to state what she specifically gave to KATZ if copies were located.

JOSEPH B. GREGG furnished BENTLEY with films of ONI reports and typewritten or dictated notes of material abstracted from ONI reports received by the OCI-AA. BENTLEY said ONI apparently designated copies of some of their reports to OCI-AA and GREGG thereby had access to these. When the material was on film, BENTLEY said it was undeveloped when she handled it so she did not know its contents. She said she would remember some of the typewritten data or oral information dictated to her by GREGG if the reports from which GREGG obtained the information were produced. As far as differentiating between KATZ and "BILL" as the receivers of the information from GREGG, BENTLEY again stated she might recall this from the dates of the actual reports.

BENTLEY recalled the last meeting with PERLO which was held at the apartment of MARY PRICE in New York City, a few days before Christmas, 1944, as the last contact with PERLO. She could not describe specifically the material collected from PERLO at this meeting except to say that it was the same type of material that he had been furnishing in the past and described heretofore.

BENTLEY stated that in addition to the others mentioned, DONALD WHEELER also furnished her with some information which she believed she turned over to KATZ. She stated WHEELER was employed on the Editorial Board of Research and Analysis Division of OSS and in that capacity he obtained material which included

Letter to the Director
NY 65-14913

"ditto" copies of monthly and semi-monthly reports of the OSS. These reports concerned political developments throughout the world. BENTLEY recalled that the reports were sometimes marked "Secret" and sometimes marked "Confidential". She could not recall whether they contained any marginal notations as to what Divisions of the OSS they were to be routed or indicated any other governmental agencies to which the reports were to be directed. WHEELER also furnished typewritten and handwritten excerpts that he obtained from an OSS digest made up of cable reports from the State Department and OSS personnel. Included also were various reports and memorandums prepared by the Foreign Nationality Branch of OSS. This material related to particular racial groups and their activities within the United States.

In accordance with the requests contained in referenced Departmental Memorandum certain further investigation is being requested. The purpose of the investigation will be first to locate any files, reports, material or sources from which information was obtained by BENTLEY's contacts during the pertinent period. The time to be considered is from September 15, 1944 to December 31, 1944. If BENTLEY is able to recognize any of the material as material she passed to KATZ, then further attempts will be made to determine if the material was classified and related to National Defense at the time it was passed by BENTLEY to KATZ.

Investigation requested of the Washington Field Office is as follows:

(1) Will contact former officials of OSS and, if possible, review OSS files and attempt to locate "ditto" reports containing information about a radio pick-up station operated by OSS on Long Island and other "ditto" reports from OSS undercover agents all over the world, which HELEN TENNEY would have had access to during the pertinent period of her employment in the Balkan Division of OSS. If necessary, will review the OSS personnel file of HELEN TENNEY. BENTLEY has described radio station reports as OSS digests prepared in connection with monitoring activities. The reports of OSS undercover agents were described by BENTLEY as reports prepared by "ditto" machine with notations thereon indicating the persons in OSS who were to see these copies as well as other governmental agencies to whom these reports were directed.

Letter to the Director
NY 65-14913

(2) Will review the OSS personnel file on DUNCAN C. LEE to ascertain what branch or unit of OSS he was assigned to during the pertinent period and to ascertain the nature of his duties at that time and the type of information he handled.

In the report of SA John B. Van Etten on LEE dated 9/26/49 at Washington, D.C. (WFO file 100-20518), it is stated that LEE was an Intelligence Officer in OSS from 7/1/44 to October, 1945. His duties included collecting, evaluating, and disseminating all information obtained by OSS units, first in the China Theatre and later in the China-Burma-India Theatre. It is possible that this latter duty was what BENTLEY referred to as the Japanese Division of OSS and in that capacity he may have furnished BENTLEY with information about Japanese Agents in China. It is thought that the best way to attempt to refresh BENTLEY's recollection about LEE would be to review LEE's OSS personnel file to ascertain more specifically what LEE's duties were and what classified information he might have processed during the pertinent period.

(3) Will attempt to locate OSS reports on the proposal of sending an OSS mission to Russia in exchange for allowing an NKVD mission to visit here. BENTLEY stated the report on this which J. JULIUS JOSEPH gave her was dated in the late summer or Fall of 1944 and it contained the up-to-date status of the proposal.

(4) Will contact former FEA officials to ascertain the classification of the prospectus material on what the United States intended to do with Germany.

Will attempt to locate any FEA prospectus material dated during or just prior to the pertinent period which might answer the description of the prospectus material passed by ALLAN ROBERT ROSENBERG to ELIZABETH BENTLEY.

(5) Will ascertain the type of information handled by JOSEPH B. GREGG in the Office of the Coordinator of Inter-American Affairs during the pertinent period. Will also attempt to locate copies of ONI reports which were sent to the OCI-AA dated during or just prior to the pertinent period and which GREGG may have had access to. According to BENTLEY, reports were concerned with Communist affairs in Latin America.

Will endeavor to ascertain if information on sending

Letter to the Director
NY 65-14913

of FBI personnel to South America during the war was furnished to OCI-AA and if this was done, the approximate date. Will ascertain if the information was classified. It is pointed out that this information may have been supplied to OCI-AA by ONI or an agency other than the Bureau, therefore, it is suggested that the Bureau may wish to furnish advice before this lead is covered.

(6) Will attempt to locate copies of the "ditto" OSS reports described by BENTLEY which DONALD WHEELER had access to during the pertinent period of his employment in the Editorial Board of the Research and Analysis Division of OSS.

In conducting the investigation concerning DUNCAN CHAPIN LEE, it is noted that Bulet to Washington Field dated 3/10/51 (WFO file 100-20518) requests further investigation of LEE by Washington Field and New York Offices.

6 MAR 29 1951

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 6/3/83 BY SP-5 MJA/KAB
5/26/88 3042 PW/KAB

65-56402-3863 3864 3865 3866

CHANGED TO

100-365040-405X, 405X1 405X2 405X:

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 6/3/83 BY SP-5 [signature]
5/26/88 3042 PLS/MB

65-56462-3867
CHANGED TO
134-435-29

FEB 26 1953

Office Memorandum • UNITED STATES GOVERNMENT

TO : THE DIRECTOR

DATE: November 3, 1950

FROM : MR. LADD

SUBJECT: GREGORY
ESPIONAGE - R
(Robert Morris)ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 6/3/83 BY SP-5 JPA/Kay
5/26/88 3042 PWS/JSB

Tolson	✓
Ladd	
Clegg	
Glavin	✓
Nichols	✓
Rosen	
Tracy	
Harbo	
Mohr	
Tele. Room	
Nease	
Gandy	

Purpose:

To advise that Robert Morris is a New York Attorney who during Spring of 1950 was Assistant Counsel of the Subcommittee on Foreign Relations, U. S. Senate (Tydings Committee). Background information set out. p4 -

Background:

Reference is made to a teletype from New York dated November 2, 1950, entitled, "Gregory; Espionage - R" which states that Elizabeth Bentley had been in conversation with Robert Morris concerning who might be investigating or following Bentley. You inquired, "who is Robert Morris?"

Mr. Tom Donegan advised Mr. Hennrich today that Morris is identical with Robert Morris who was Assistant Counsel of the Subcommittee on Foreign Relations, U. S. Senate, (Tydings Committee) during the Spring of 1950.

[REDACTED]

[REDACTED]

FLJ:jef

RECORDED - 25
INDEXED - 25

NOV 20 1950

165-56402-3868

52 NOV 27 1950

FILE
be
FRCA
134-405-10K

[REDACTED] Mr. Donegan does not know Morris' present employment.

The New York Office has advised that Morris is a friend of Bentley's and has counseled her in that capacity.

Action:

None. This is for your information.

b3
Rule 6e
FRCP

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 6/3/83 BY SP-5 [signature]
5/26/88 3042 PWS/AB

65-56402-3869
CHANGED TO
134-435-32

FEB 26 1953

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copy;bw

FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION

NOV 10 1950

TELETYPE

WASH AND WASH FLD 10 PHILA 9 FROM NEW YORK 10 9-49 P
DIRECTOR AND SA, URGENT

O Gregory
UNSUB, WAS., ROBERTS, RABINOWITZ, MR. RICH. ESP-R. BUFILE
SIXTY FIVE DASH FIVE SEVEN NINE EIGHT ONE. REFERENCE IS MADE
TO REPORT OF SA DONALD G. HANNING, OCT. THIRTY, FIFTY, WASHINGTON,
D. C. ENCLOSING SEVERAL PHOTOGRAPHS OF DR. GREGORY L. RABINOVITCH.
THESE PHOTOGRAPHS DISPLAYED TO LOUIS AND MARGARET BUDENZ, WHO LATER
IDENTIFIED RABINOVITCH AS "UNSUB ROBERTS". IDENTIFICATION POSITIVE
AS SUBJECT-S PHOTOGRAPH DISPLAYED WITH SEVERAL UNRELATED PHOTOGRAPHS
AND NO INDICATION GIVEN TO THE BUDENZES THAT A PICTURE OF RABINOVITCH
WAS BEING SHOWN. COPIES OF PHOTOGRAPHS BEING FORWARDED PHILA OFFICE
TO BE DISPLAYED TO HOMAS BLACK TO POSSIBLY IDENTIFY RABINOVITCH
AS BLACK'S ESPIONAGE SUPERIOR "DR. SCHWARTZ".

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 6/3/83 BY SP5/ajh

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47 NOV 20 1950

IN - 10 - 10

65-57981-33

FEDERAL BUREAU OF INVESTIGATION
UNITED STATES DEPARTMENT OF JUSTICE

To: COMMUNICATIONS SECTION.

Transmit the following message to:

NOVEMBER 14, 1950

SAC, NEW YORK

URGENT

GREGORY LYONICH RABINOVITCH, WAS., ESPIONAGE R. REURTEL
INSTANT, NYC FILE SIXTY FIVE DASH ONE FOUR SEVEN FIVE THREE. SUBJECT'S
PHOTO SHOULD BE EXHIBITED TO HARRY GOLD AS CANDIDATE FOR UNSUB FRED
WHO WAS GOLD'S SOVIET SUPERIOR FROM NINETEEN THIRTY-EIGHT TO FORTY. SHE
ALSO EXHIBIT PHOTO TO ELIZABETH BENTLEY AS A CANDIDATE FOR A PERSON
SHE KNEW AS DR. RABINOWITZ.

ROOVER

EL:KES

65-57981

cc: 65-59195

65-56402

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 6/3/83 BY SP-5 JFJ/Hcy

11-2-88

3012 AUT-JPR

CA 75-021

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Ladd _____
Clegg _____
Glavin _____
Nichols _____
Rosen _____
Tracy _____
Harbo _____
Belmont _____
Mohr _____
Tele. Room _____
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Gandy _____

SENT VIA

NOV 28 1950

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Per

65-57981-33

6 MAR 29 1951

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 6/3/83 BY SP5/rp/ky

5/26/88 3042 PWS/BB

65 56402-3870

CHANGED TO

100 365040-413X

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 6/3/83 BY SP-5 [signature]
5/26/88 3042 PWS/LB

65-56402-3871

CHANGED TO

100-364246-1X

142
5 MAY 4-1951

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED

DATE 6/3/83 BY SP5 rjg/ta
5/26/88 3042 PW J/AB

6 MAR 29 1951

65-56402-3872
CHANGED TO

100-365040-483X

SAC, New York

December 14, 1950

Director, FBI

0 **SECURITY**
ESPIONAGE - R

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 6/3/83 BY SP-5 [signature]
5/26/89 3042 PWB/AB

The Bureau desires to know whether the \$2,000 received from Elizabeth Terrill Bentley is still being kept in a safety deposit box in the Park Row Branch of the Manufacturers Trust Company in New York City.

For your information the Bureau feels that we should retain this money, in view of its possible evidentiary value in the future, but it is believed that we should determine who has legal title to the money. Therefore, in order that we may bring this matter to the attention of the Department, you are requested to furnish the Bureau with a chronology of the \$2,000. Any observations or suggestions you may have concerning this item will be appreciated.

65-56402

ASB:gmm

RECORDED - 31

917-13

65-56402-3873

DEC 18 1950
80

DEC 15 3 57 PM '50
RECEIVED - CIVIL RIGHTS
FBI
U.S. DEPT. OF JUSTICE

Tolson _____
Ladd _____
Clegg _____
Glavin _____
Nichols _____
Rosen _____
Tracy _____
Harbo _____
Belmont _____
Mohr _____
Tele. Room _____
Nease _____
Gandy _____

DEC 14 1950

59 DEC 28 1950

AS.

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 6/3/83 BY SP5 MJA/K
5/26/88 3042 PWS/AB

65-56402-3874
CHANGED TO
134-435-34

FEB 26 1953
1

C

Office Memorandum • UNITED STATES GOVERNMENT

TO : Director, FBI

DATE: January 4, 1951

FROM : SAC, New York

SUBJECT: GREGORY
ESPIONAGE - RThis serial was reviewed in connection
with the Rosenberg Case and is unclassified.
4913 AP/60 5/11/78RE: PAYMENT TO ELIZABETH BENTLEY OF \$2000.00
BY ANATOLI GROMOV

Rebulet 12/14/50 regarding the above-mentioned caption.

In May of 1945, BENTLEY saw, for the last time, her contact JACK (JOSEPH KATZ). Just prior to this last meeting JACK introduced her to the contact she had then known only as AL but who subsequently was definitely identified as ANATOLI GROMOV, the First Secretary of the Russian Embassy in Washington. (u)

In subsequent meetings with GROMOV, the latter made overtures of buying BENTLEY a fur coat, suggested that she quit her job and take a vacation, offered to supply her with an air conditioning unit when she complained of the summer heat, and on almost all of the occasions of her meetings with him, after the initial one, mentioned his willingness to set her up in a small business to be financed by him which would be located outside of New York City and perhaps in Philadelphia or Washington. MISS BENTLEY'S recollection was that they had some conversations about setting up a small hat or dress shop for this purpose. (u)

In October of 1945, BENTLEY saw GROMOV by prearrangement and at this time he handed her \$2000.00 in \$20.00 bills, and at the time he gave her the money he stated there were "no strings attached." It was BENTLEY'S impression at this time that this payment to her was for her past activities in connection with the Russians, as well as an attempt on the part of GROMOV to secure her good will. (u)

On November 16, 1945, while MISS BENTLEY was being interrogated by SAS THOMAS G. SPENCER and JOSEPH M. KELLY in the Prince George Hotel in New York City, she mentioned the facts as related above, as well, of course, as other information during this rather extended interview. At the conclusion of this interview on November 16th, arrangements were made for the continuance of the interview on the morning of November 17, 1945, at the same hotel. Immediately upon MISS BENTLEY'S entering the room on this occasion, even before she took off her coat and hat, (u)

TGS:END
65-14603

ALL INFORMATION CONTAINED

HEREIN IS UNCLASSIFIED

DATE 6/3/83 BY SP-5 HJG/ML

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JAN 5 1951

65-56402-3875

JAN 7 1951

Letter to Director, FBI
NY 65-14603

she opened up her purse, took out an envelope, threw it on the bed and stated, "Here's some Moscow gold." MISS BENTLEY was informed that the FBI would take possession of this money and although no offer was made to give her a receipt for same she did not in fact request one. Thereafter, the money was taken to the New York Office and subsequently placed in the safe-deposit box that is maintained by the New York Office at the Park Row Branch of the Manufacturers Trust Company. The money still remains in this safe-deposit box. (u)

In so far as the final disposition of this money is concerned, it appears that only two possibilities exist: (1) that it be considered as espionage money as a result of MISS BENTLEY'S activities with the Russians, and in that event it in all probability would have to be turned over to the Treasury Department; and (2) the other solution would, of course, be to have this money returned to MISS BENTLEY. In view of the fact that MISS BENTLEY was recently a witness in the ABRAHAM BROTHMAN case and is scheduled to appear as a Government witness in the current trial of WILLIAM WALTER REMINGTON, this matter was discussed on a confidential basis with Special Assistant to the Attorney General T. J. DONEGAN. MR. DONEGAN stated that in his opinion this matter should remain "in status quo" until such time as the REMINGTON case has finally been resolved. He stated that any attempt at this time to establish the ownership of these funds might lead to some embarrassment. He stated that he was of the definite opinion that some decision would have to be made in so far as these funds are concerned but indicated that it might be well not to consider this until the final disposition of the REMINGTON case has been effected. (u)

The Bureau's attention is called to the fact that since 1945 the services of MISS BENTLEY as a witness and as a highly placed informant have been utilized by this office and also by the Chicago Office during the six-month period she resided in that City. During this time she has not been paid for her (u)

Letter to Director, FBI
NY 65-14603

services, with the exception of a Christmas gift that was given to her this year and the reimbursement to her in the amount of \$25.00 during the preparation of the REMINGTON and BROTHMAN cases when MISS BENTLEY was in Westport, Connecticut, writing her book. During the time she has been interviewed by Agents of this office she has on two or three occasions inquired into what disposition would eventually be made of this money. She was informed on all these occasions that this was a matter that would have to be decided sometime in the future and, of course, no definite commitment was made to her regarding these funds. (u)

MISS BENTLEY'S financial condition at the present time is satisfactory in that all of her living expenses are being paid for by her publisher through January of 1951. Thereafter, her financial condition will depend on the way in which her book is received by the public. If it is not well received, she, of course, will have to obtain some employment to maintain herself as she has no savings or independent income. It, of course, would be a nice gesture if this money could be returned to her; however, this cannot be recommended by this office in view of the circumstances surrounding the manner in which she obtained this money, particularly the fact that it was MISS BENTLEY'S impression that this was payment to her for espionage activities she had participated in on behalf of the Soviets. (u)

In view of MR. DONEGAN'S comments, it is not believed that any decision should be reached as to the disposition of these funds until the final disposition of the REMINGTON case, and at that time the comments of MR. DONEGAN, as well as of this office, will be forwarded to the Bureau. (u)

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DATE 6/3/83 BY SP-5 RJA/ta

5/26/88 3042 PWS/REB

65-56402-3876, 3877
TO

101-2261-115X

101-786-140X

6 MAR 29 1951

C

16726

FEDERAL BUREAU OF INVESTIGATION

Form No. 1

THIS CASE ORIGINATED AT

WASHINGTON FIELD

FILE NO.

100-17493

REPORT MADE AT WASHINGTON, D. C.	DATE WHEN MADE 1-15-51	PERIOD FOR WHICH MADE 1-10-51	REPORT MADE BY MAURICE A. TAYLOR
TITLE GREGORY - L R - 8			CHARACTER OF CASE ESPIONAGE - R

SYNOPSIS OF FACTS:

ADMINISTRATIVE

GREGORY case is being closed as no active investigation remains to be conducted.

- C -

ALL INFORMATION CONTAINED
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DATE 5/26/88 BY 3042 BWS

DETAILS:

AT WASHINGTON, D. C.

Review of the numerous volumes in this case reflects that no active investigation remains to be conducted.

In this case separate files have been opened on the various individual subjects and the office of origin designated according to the current residences. It is anticipated that all future investigation will be reported in the individual case files.

Review of the files of the GREGORY case reflect that WINSTON BURDETT, Correspondent and Radio Broadcaster of some prominence, was never interviewed although informant GREGORY in statement of November 8, 1945, referred to BURDETT as an individual who maintained contact with JACOB GOLOS.

A letter is being addressed to the Bureau and New York Division suggesting that BURDETT be located, his current activities ascertained, and consideration be given to interviewing him.

Rec'd -
1-23-51
New
Comp
Asst.

APPROVED AND FORWARDED: <i>[Signature]</i>	SPECIAL AGENT IN CHARGE	DO NOT WRITE IN THESE SPACES	
COPIES OF THIS REPORT COPY IN FILE 2 - Bureau 1 - New York (Info) Washington Field 60 MAY 1951		65-56462-3878 JAN 14 1951 WFO Being referred to conduct further investigation	INDEXED - 89 RECORDED - 89

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16727

WFO 100-17493

ADMINISTRATIVE

In view of the importance of this case and the constant use of its files as reference, the exhibits and individual folders on the subjects are being retained in Washington Field Office for the time being.

A copy of this report is designated for the New York Division because of its continuing interest in this case and its subjects.

- CLOSED -

6 MAR 29 1951

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DATE 6/3/83 BY SP5/ryh/ky

5/26/88 3042 PWJ/AB

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100-39962-17X, 20X

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BY

SP-5 RJA/tta

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65-56402-3881

CHANGED TO

134-435-35

FEB 26 1953

SAC, New York

February 13, 1951

Director, FBI

GREGORY
ESPIONAGE - R

Rebulet 12/14/50 and your let January 4, last, concerning the payment of \$2,000 to Elizabeth Bentley by Anatoli G. In view of Remington's conviction you are requested to submit immediately the comments of Mr. Donegan and your office in regard to the disposition of the \$2,000.

65-56402

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DATE 6/3/83 BY SP5 HAY
5/26/89 3042 PWS/DB

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65-56402-3882
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February 15, 1951

Director, FBI (100-88434)

SAC, WFO (100-21123) - MAX GRANICH, was.
(100-88434) - GRACE GRANICH, was.

MAX GRANICH, was.;
GRACE GRANICH, was.
INTERNAL SECURITY - R

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 6/3/83 BY 3042 PW 3/103

Rebulet January 24, 1952.

There are forwarded herewith as requested two copies of each of the following hearings before HCUA concerning the above subjects. Two photostatic copies are also being furnished the Albany Office:

Testimony on January 9, 1952 by COURTNEY E. OWENS,
CLARENCE E. GAUSS and JOHN CARTER VINCENT

Testimony on January 10, 1952 by MORRIS L. APPLEMAN.

Testimony on January 15, 1952, by ELIZABETH T. BENTLEY^①
and LOUIS FRANCIS BUDENZ.

Testimony on January 16, 1952 by MAX and GRACE GRANICH.

Testimony on January 17, 1952 by GRACE GRANICH.

R.U.C.

WJM:cas

cc: Albany (100-9230)

ENCLOSURE

1 encl. orig.
encl. attached
testimony of Bentley
indicated in
Bentley file
47

65-56402-3882X
61-6328-124

HEARINGS

BEFORE THE

COMMITTEE ON UN-AMERICAN ACTIVITIES

HOUSE OF REPRESENTATIVES

EIGHTY-SECOND CONGRESS

FIRST SESSION

Date Jan. 15, 1952

ALTHEA ARCENEUX

**520 MILLS BUILDING
WASHINGTON 6, D. C.**

OFFICIAL REPORTER

TELEPHONE: WISCONSIN 5024

65-56402-3882X

ENCLOSURE

61-6328-124

I N D E X

A

PUBLIC HEARING

January 15, 1952

- - -

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Louis Francis Budenz	9

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"Budenz Exhibit No. 3" - A photostatic Copy of the covering letter of Edward Kuntz of June 28, 1940, enclosing a letter from Earl Browder	27
"Budenz Exhibit No. 4,5" - Photostatic copies of the Daily Worker for July 31, 1940 and August 1, 1940.	35
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"Budenz Exhibit No. 7" - A letter dated April 19, 1941, from Edward Kuntz to the State Department.	42
"Budenz Exhibit No. 8" - A Registration Statement of October 1, 1942, Made by Grace Maul Granich.	47
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I N D E X (Continued)

B

PUBLIC HEARING

January 15, 1952

- - -

Exhibits

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"Budenz Exhibit No. 10" - A letter dated December
12, 1942, from the Attorney General's Office to
Miss Grace Granich 91

Tuesday, January 15, 1952

UNITED STATES HOUSE OF REPRESENTATIVES,
COMMITTEE ON UN-AMERICAN ACTIVITIES,
Washington, D. C.

PUBLIC HEARING

The Committee on Un-American Activities met pursuant to adjournment at 10:45 a. m., in room 226, Old House Office Building, Hon. Clyde Doyle, presiding.

Committee members present: Representatives Clyde Doyle, Bernard W. Kearney, and Charles E. Potter.

Staff members present: Frank S. Tavenner, Jr., counsel; Thomas W. Beale, Sr., assistant counsel; Courtney E. Owens, investigator; John W. Carrington, clerk; and A. S. Poore, editor.

- - -

Mr. DOYLE. Let the record show that a subcommittee has been appointed for this hearing this morning consisting of Doyle, Chairman, Kearney, and Potter.

Are you ready, Counsel?

Mr. TAVENNER. Yes, sir.

Miss Elizabeth Bentley, please.

Mr. DOYLE. Please rise and be sworn.

Do you solemnly swear that the testimony you give in this matter will be the truth, the whole truth, and nothing but the truth, so help you God?

Miss BENTLEY. I do.

Mr. TAVENNER. Please state your full name, Miss Bentley.

TESTIMONY OF ELIZABETH T. BENTLEY

Miss BENTLEY. Elizabeth T. Bentley.

Mr. TAVENNER. Miss Bentley, you have testified before the committee on previous occasions in respect to your participation in the Communist Party activities and the Communist Party underground. That is correct, isn't it?

Miss BENTLEY. Yes, that is correct.

Mr. TAVENNER. For whom did you work in your underground experiences in the Communist Party?

Miss BENTLEY. Well, I worked for Russian Intelligence, first under Mr. Jacob Golos, and then under various subsequent Soviet agents, including two unidentified ones, and Mr. Anatole Gromov, who was then First Secretary of the Russian Embassy.

Mr. TAVENNER. How was this association with the underground work headed by Mr. Golos formed?

Miss BENTLEY. You mean how did I get into it originally?

Mr. TAVENNER. Yes.

Miss BENTLEY. Originally through my own efforts I obtained a position doing research work with the Italian Library of Information in New York, and that was the American branch of the Propaganda Ministry. And because of that, headquarters of the Communist Party told me I should

go underground and that instead of going to a Communist meeting, a group meeting, I should be attached to just one man. The one man I was introduced to was Mr. Jacob Golos.

Mr. TAVENNER. Well, what was Mr. Jacob Golos's function in the Communist underground?

Miss BENTLEY. Mr. Jacob Golos was a higher-up in the Russian Intelligence Service. He was in contact with the Embassy and consulate people and in turn in touch with the higher-ups in the Communist Party, such as Earl Browder, and he also was in touch with various agents who were used to infiltrate the U. S. Government, factories, and that sort of thing.

Mr. TAVENNER. When did your connection with that work begin and end?

Miss BENTLEY. Well, actually, my connection with infiltrating the U. S. Government began in 1941, but my connection with other of these underground activities began in 1938, in the fall.

Mr. TAVENNER. I meant particularly with reference to your work under Mr. Jacob Golos.

Miss BENTLEY. Oh, in October 1938.

Mr. TAVENNER. And ended when?

Miss BENTLEY. At his desk, which was November 25th, '43.

Mr. TAVENNER. Did you remain in the service of the apparatus after the death of Mr. Golos?

Miss BENTLEY. Yes, I did. I was picked up by a subsequent Soviet contact named Bill -- that was his code name -- and continued on until August of 1945, when I went to the FBI, and then, under the instructions of the FBI, I continued on for some time after that.

2 Mr. TAVENNER. In the performance of your work in the apparatus conducted by Mr. Jacob Golos, did you have occasion to meet a person by the name of Helen Tenney?

Miss BENTLEY. Yes, I did.

Mr. TAVENNER. Will you state just what Helen Tenney's connection was with the underground apparatus conducted by Mr. Golos?

Mr. DOYLE. I wish to state to the photographers that any shots that are to be taken should be taken as the witness begins, and then the pictures should be discontinued, so that there will be no interruption. It would seem, however, that if you did not take the pictures in the beginning, we could have them taken now and have that part over with. That only refers to the movies.

Mr. TAVENNER. Will you read the pending question, Mr. Reporter?

(The reporter reads, as requested.)

Miss BENTLEY. Helen Tenney was an agent who was planted in the OSS in order to give information to Soviet Intelligence.

Mr. TAVENNER. How long, approximately, did she engage in that work? And can you tell us more of the character of that work conducted by her?

Miss BENTLEY. Originally, she was a member of the Communist Party in a unit, that is, in the ordinary set-up of the Communist Party, and had done quite a great deal of work during the Spanish war, for example. And then she became connected with an organization which was subsidized by the OSS in New York City. The organization existed for the purpose of picking up men who would be useful for undercover work abroad for the OSS. At that point, she was in contact with Grace Granich, who was then head of Intercontinent News. And Grace Granich, who was working with Mr. Golos, came to him and told him that she would be useful for the underground.

So she was told to sever her connections with the open party and to report only to him. Then she was told to go to Washington and get a job with the OSS, which she did.

On Mr. Golos's death, I took her over, checked up the whole story and the background she had told me, and continued to use her until the end of '44, and I know from talking to her subsequently that she continued on through '45, at which point I believe she lost her contacts.

Mr. TAVENNER. Now, where was Miss Tenney placed in the

Government service?

Miss BENTLEY. Well, she actually placed herself.

We had sent her in with the idea that she would end up in the Latin American Division of the OSS. We had some in there. Instead of which, she turned out to be so valuable that the OSS put her in their hush-hush Spanish Division, where she functioned until the OSS split up; and then, when the OSS split up, a part of it was turned over to the War Department, and she went with that section of the War Department. She is now out of Government, has been for three years.

Mr. KEARNEY. I did not hear that last.

Miss BENTLEY. She is now out of the Government service. I have forgotten the exact date when she left her job. I believe it was in 1946 sometime, early.

Mr. TAVENNER. Are you personally acquainted with Grace Granich?

Miss BENTLEY. I don't think I have ever met her, no.

Mr. TAVENNER. Mr. Chairman, I have no further questions to ask of Miss Bentley now, except that I would like to call her before an executive session of the committee to ask her for some lead information relating to matters. But I have no further question to ask her about this.

Mr. KEARNEY. Do you know what Miss Terney is doing at the present time?

Miss BENTLEY. No, I don't. I know that she had⁷ intended to get back into private industry, but I have lost track of her in the last two years.

Mr. KEARNEY. Do you know where she lives?

Miss BENTLEY. The last I heard of her, she was living in New York City. I imagine she is still there.

Mr. POTTER. Miss Bentley, you stated that you had a person in the Latin section who would place Miss Tenney. Who was that person?

Miss BENTLEY. It was the head of the Research and Analysis Division, Latin American Branch. That was Mr. Maurice Halperin.

Mr. POTTER. Is he still in Government, do you know?

Miss BENTLEY. No, I believe he went out, too, in about 1946, possibly earlier. I am not sure of the date of that.

Mr. POTTER. Was he a contact for you, or did he serve the purpose of placing persons that you were interested in having placed?

Miss BENTLEY. Well, his main function was in obtaining information for us, but secondarily if he could get some one in, of course, we would use him for that.

Mr. POTTER. Do you know where he is located now or what his occupation might be?

Miss BENTLEY. Someone told me, I believe, he was connected with some social work organization, but I am not

sure of the title of it. In New York City, I believe.

Mr. POTTER. That is a private organization?

Miss BENTLEY. I understand so, but I am not sure.

Mr. POTTER. And located in New York?

Miss BENTLEY. In New York City, I believe.

Mr. POTTER. I have no further questions, Mr. Chairman.

Mr. DOYLE. May I ask you this, Miss Bentley: Do you know under what conditions this woman and the man were separated from the Government employment? Was it at their own request, or the Government's request?

Miss BENTLEY. No, I understand that the Government requested that they be removed.

Mr. DOYLE. Counsel, when do you wish the executive questioning?

Mr. TAVENNER. I believe just before we go to lunch this morning would be the best time.

Miss BENTLEY. Yes, that would be best, Mr. Chairman.

Mr. TAVENNER. Mr. Louis Budenz, please.

Mr. DOYLE. Mr. Budenz, will you be sworn, please?

Do you solemnly swear that the testimony you give in this matter will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. BUDENZ. I do.

Mr. DOYLE. Be seated, please.

Mr. TAVENNER. Will you state your name, please, sir?

TESTIMONY OF LOUIS FRANCIS BUDENZ

Mr. BUDENZ. Louis Francis Budenz.

Mr. TAVENNER. How are you now employed, Mr. Budenz?

Mr. BUDENZ. I am a professor at Fordham University.

Mr. TAVENNER. You were formerly a member of the Communist Party and renounced your membership in the Communist Party, I think?

Mr. BUDENZ. That is right. I renounced it in 1945.

Mr. TAVENNER. And you have testified before this and other committees on the general subject of communism and in regard to particular matters that you have been asked about?

Mr. BUDENZ. Yes, sir, I have.

Mr. TAVENNER. Mr. Budenz, you are aware of the hearings, I suppose, which we have been conducting here for several days, relating to the activities of Max Granich and Grace Granich in China?

Mr. BUDENZ. Yes, sir. I know that those took place.

Mr. TAVENNER. Have you ever been acquainted with either of those persons?

Mr. BUDENZ. I knew them both. I knew them both as members of the Communist Party and as functionaries of the Communist Party.

Mr. TAVENNER. How did you first become acquainted with Max Granich?

Mr. BUDENZ. Max Granich, I became acquainted with in 1940, approximately, when he came to me to get a credential from the Daily Worker. He said he wished to use it in underground work; that is to say, under the guise of being a newspaper correspondent, he was to get information that would be helpful to the Soviet or Communist underground.

Mr. TAVENNER. When did you first become acquainted with Grace Maul Granich?

Mr. BUDENZ. I first met Grace Granich as Grace Maul, in the fall of 1935, almost immediately after I joined the Communist Party. She was then located on the ninth floor, that is, the headquarters of the Communist Party. She was the assistant to J. Peters.

Mr. TAVENNER. Who was J. Peters?

Mr. BUDENZ. J. Peters, as I testified in his deportation proceedings, confronting him as a witness, was the liaison officer between the Communist International apparatus in this country and the Soviet Secret Police operating

here. He stated that to me himself, and I knew enough of his activities to know that that was correct.

Mr. TAVENNER. Was he deported as a result of the hearings before the Immigration and Naturalization Service?

Mr. BUDENZ. He agreed to leave the country, although the deportation was clearly to be ordered.

Mr. TAVENNER. Now, you have stated that Grace Maul was an assistant to J. Peters. Do you know of your own personal knowledge of the character of the work that she performed as his assistant?

Mr. BUDENZ. Not in detail. I wouldn't know of that.

The only thing I know is that in the early fall of 1935, immediately after I joined the Communist Party, I had to make many reports to J. Peters in regard to the Trotskyite organization. At his request, I had established contacts within that organization, and they were reporting to me, giving to me the proceedings of the national committee of the Trotskyites, their various important meetings, and the like.

These I relayed to Peters, but had to deliver them personally.

In the course of doing that, the first contact, as a rule, was with Grace Maul, with whom I arranged a meeting with Peters. Sometimes I didn't have to do that, but very frequently that was the case.

Mr. TAVENNER. Were any of your conferences with J. Peters conducted in her presence, in the presence of Grace Maul?

Mr. BUDENZ. No, not that I can recall.

Mr. TAVENNER. What was the next occasion of your meeting Grace Maul, if you can recall?

4
Mr. BUDENZ. During this period that I mentioned, I met her a number of times, of course, because I had to see her frequently in order to see Peters. But then I did meet her at a national committee meeting of the Communist Party in early 1936, or maybe it was the latter part of 1935. And as a matter of fact, Herbert Benjamin, his wife Grace Maul, and I came down together -- we lived in the same neighborhood in New York -- after the meeting.

Mr. TAVENNER. What do you mean by "came down"?

Mr. BUDENZ. Came down on the elevated together, or subway.

At that time, she told me she was going abroad for the Communist Party; that is, that she had an assignment to go abroad.

Mr. TAVENNER. Did she discuss that assignment with you?

Mr. BUDENZ. No, except to say that it was a Communist assignment; that she had been assigned this by the Party.

Mr. TAVENNER. Now, that conversation was, did you say,

in the last part of '35 or early part of '36?

Mr. BUDENZ. Yes, sir. I think the last part of '35, by the way. I was in Washington in the early part of '36, at least from the last part of January on. It could have been, though, in the early part of January 1936. I am not quite certain. It was in that period.

Mr. TAVENNER. Did you see Grace Maul after her return from China?

Mr. BUDENZ. Yes, sir. In 1939, in the fall or winter, I returned from Chicago for conferences in regard to the protection of the Communist Press during the Hitler-Stalin Pact period. In one conference, Grace Maul and Earl Browder and Joseph Brodsky were present with others. I can remember them. They discussed the possibility of forming the Intercontinent News Corporation.

Then again, immediately after my return from Chicago, when I returned to the Daily Worker, in February 1940 or March 1940, I also was present at a conference with Grace Granich, as now she calls herself, on the same subject.

Mr. TAVENNER. And that subject was what?

Mr. BUDENZ. The possibility of protecting the Communist press in this country during the Hitler-Stalin Pact period. By the formation of the Intercontinent News Corporation.

Mr. TAVENNER. Now, before we get into a discussion of the Intercontinent News Corporation and its activities,

I think it would be well for us to develop information relating to the operations of the Daily Worker at about that time and the effect of the Foreign Agents Registration Act of 1938, as a basis for further discussion of the work done by the Intercontinent News.

Mr. BUDENZ. The Daily Worker had for years, and was so doing when I became a member of its editorial board, received hundreds of thousands of words by cable and wireless from Moscow through the Runag News Agency, Rundschau. This was completely without charge to the Daily Worker, including the English translations in Moscow. These communications consisted of the wiring or cabling, wirelessness or cabling, of entire articles from Pravda, statements by Stalin, and articles written in other Soviet publications. They were translated, as I say, into English in Moscow, sometimes relayed through London and other cities, but they came directly to the Daily Worker.

There were a great number of machines there to receive them. Sometimes we had to have three or four extra operators to receive these communications from abroad.

And that was the situation at the time we were having these discussions.

For example, during the period of the Trotskyite-Bukharinist trials, the purge trials, we received almost word for word the testimony by wireless, with the exception

of a preposition being left out, or a few things like that; and they were published largely word for word, the questions of Vishinsky and the answers of the defendants, in the Daily Worker at that time. This all came by wireless or cable to the Daily Worker.

Mr. TAVENNER. Were the transmission charges prepaid?

Mr. BUDENZ. They were all prepaid, yes, sir. The Daily Worker had to bear no expense whatsoever on this material.

Mr. TAVENNER. Will you tell the committee just what Runag was, what type of an organization it was and to whom it was responsible?

Mr. BUDENZ. Runag is the name, abbreviated, for the Russian News Agency in English. It had various names in various languages, of course, all meaning Russian News Agency. It was directly under the control of the Soviet Commissariat of Communications and was its creature. Therefore, it was an agency and creature of the Soviet Government completely. It collected material from all over the world, including China and other places. These were cabled in to the center, and then they were selected and sent back to the various countries.

The Daily Worker received them direct, as I say, on machines right in the Daily Worker office on the eighth floor of 35 East 12th Street, New York.

Mr. TAVENNER. What was the importance to the Daily Worker and to the Communist Party of the receipt of these messages from Runag?

Mr. BUDENZ. First of all, it was the propaganda they needed; but secondly, and above all, each one of these articles contained directives. This is the method by which Communist directives are given, and why they are so successful in concealing their presentation of the line.

The Communists read each article that they receive. And I know this certainly by experience. I had to pour with the midnight oil over these documents. The Communists read every article to find the directive. It may be a minor directive or a major directive. These contain directives. They modified the line or interpreted the line or explained the Communist conditions in various countries.

Immediately, the Daily Worker not only published a great number of these communications but adjusted its editorial policy and its working accordingly. That is, the editorials of the Daily Worker or special articles by its staff writers reflected these communications.

Mr. TAVENNER. Then you would say that the rendering of that service was extremely important and vital to the functioning of the Communist Party in the United States?

Mr. BUDENZ. It was one of the most vital functions for the Communist Party not only in the United States but

throughout the world. But specifically here, since the Communist Party day by day based its viewpoint and the message that it got out through The Communist, which was then its theoretical organ, and then through the Daily Worker, and then on out farther, on these communications.

In addition to that, there were the oral and brief communications from the representatives of the Communist Internationale, but they necessarily had to be quite in political shorthand, if I may put it that way. That is, they had to be brief, because they were oral.

But these were the extensive directives in order to be able to know what phrases to use, what attitudes to take, and how to push forward the cause of the Communists in various countries, here in the United States.

Mr. POTTER. Did any other publication in the United States receive this service?

Mr. BUDENZ. No, sir. Well, only Communist publications. The Freiheit also availed itself of it, and it did through the Daily Worker go out to the various foreign language papers that the Communist Party had. I doubt, though, that any other paper received it. In fact, I can say definitely no one else received it but the Daily Worker, since the Freiheit got an extra copy and it was off the Daily Worker's machine.

Mr. POTTER. And I assume it was your responsibility

to transmit that to other, as you say, foreign language papers that might be Communist controlled. I don't know whether you had any at that time.

Mr. BUDENZ. Oh, yes. Quite a few. In fact, very many foreign language papers.

Mr. POTTER. Was that a responsibility of yours, to see that they got it? Or did they receive it direct, the same as you?

Mr. BUDENZ. No, the Daily Worker was the only one that received it direct, and then the Freiheit, it being in the same building and it being a large paper also, comparatively, within the Communist ranks, received one copy. The rest of them took their information generally from the Daily Worker itself.

Mr. KEARNEY. There was some reference made by Mr. Potter to foreign language newspapers. You mean Communist controlled? You do not want the impression to go out that all foreign language newspapers --

Mr. BUDENZ. No, I mean those that were Communist, like El Elore, the Hungarian paper, and many others I could mention if I just had time to think them over. There were Polish papers in Detroit and a Rumanian paper in Detroit, and a Lithuanian paper in New York, and the like. These were specifically the Communist papers; particularly in the Hungarian field. I mentioned El Elore. Solidaridad

was certainly not Communist at all. The majority of foreign language papers were not. But I am specifically referring to those that were. Just as the Daily Worker, of course, was the English language daily.

Mr. TAVENNER. Were the directives which you received through this source discussed with the heads of the Communist Party?

Mr. BUDENZ. Yes, sir. In fact, they were deeply interested. I forgot to tell you that a copy was also sent up to the ninth floor.

6 Mr. TAVENNER. By "ninth floor," what do you mean?

Mr. BUDENZ. The ninth floor was at that time so well known as the national headquarters of the Communist Party that you referred to it mechanically; it was "the ninth floor." The Daily Worker editorial offices were on the eighth floor. That is, of 35 East 12th Street, New York City, or 50 East 13th Street; it was a building that ran through between the two streets.

Mr. TAVENNER. Now, what effect did the Foreign Agents Registration Act have upon this activity which was being engaged in between the Daily Worker and the Communist Party through Runag?

Mr. BUDENZ. Well, it had an immediately injurious effect, in the sense that this material had to be labeled propaganda, for one thing; and also, registration was

required. And that would have admitted that the Communist Party and its activities were those of a foreign principal.

This the Communist Party did not want to acknowledge. And that, of course, presented problems, not only to the Daily Worker specifically, which was then the organ of the Communist Party, but to the Communist Party, which at that time was affiliated openly with the Communist International. I am speaking of this first stage, when Runag was being used.

Mr. TAVENNER. Yes. Well, now, as a result of the problem which you have described, did the Daily Publishing Company, Incorporated, which published the Daily Worker go through the form of endeavoring to register under the Foreign Agents Registration Act?

Mr. BUDENZ. Yes, sir, it did. At that time, I was not yet managing editor of the Daily Worker nor president of the corporation, but the legal arrangements were in the process, and I was in on most of the discussions in that connection. It decided to register but to deny that it was a foreign agent; nevertheless to register with the names of those agencies from which it received its information.

Mr. TAVENNER. Mr. Chairman, I would like to introduce in evidence registration statement of March 30, 1940, made by Daily Publishing Company, Incorporated, and ask

that it be marked Budenz Exhibit No. 1.

Mr. DOYLE. It will be accepted and so marked.

(The registration statement of March 30, 1940, made by Daily Publishing Company, Incorporated, was marked "Budenz Exhibit No. 1," and is filed herewith.)

Ex.

Mr. KEARNEY. I note, under Question 8, a statement made that:

"Keeping in mind the answer to question 7, to the effect that we do not consider those with whom we do business abroad as our principals, we herewith set forth the addresses with whom we do business, as above indicated."

Is that statement correct?

Mr. BUDENZ. That statement was utterly false, since the principals were footing the bill completely, and it was a tremendous bill, for these services. In addition to that, the Daily Worker was completely following the instructions of the principals and the directives given in these various articles.

So, from a two-fold viewpoint, it was incorrect.

Mr. KEARNEY. In other words, the answers to most of the questions on this registration statement were either double talk or absolutely false. Is that not so?

Mr. BUDENZ. That is correct, completely correct.

Mr. TAVENNER. I had intended to ask you to read Question 7. I guess we might as well do it. It is partly answered already.

Mr. BUDENZ. Question 7?

Mr. TAVENNER. Yes; which explains a little more fully the matter which was just brought out by the Congressman.

Mr. BUDENZ. This is a fine example of how the Communists tried to mix things up.

"Name the foreign principal, or principals if more than one, for which registrant is acting as agent."

Mr. TAVENNER. That is the question?

Mr. BUDENZ. That is the question. The answer is:

"We do not act as agent for any foreign principal.

We herewith set forth the sources of foreign cable news which we receive: (1) United Press."

That, of course, as I say, is obviously an effort to mix up the situation, because that was not involved in this question of registration.

United Press is a commercial news agency, and the Daily Worker merely purchased its news from them on a commercial basis. It had nothing to do with this matter.

"(b) Rundschau, Delta Verlag, in Berlin.

"(c) Agence France-Monde."

That was the French agency corresponding to Runag and was the Communist agency. But the effort to bring in the United Press, I think, is a very typical communist example of trying to confuse the issue.

Mr. KEARNEY. After that statement was filed, was there any attempt made by the agency with whom the statement was filed to clarify the answer to that particular question, Question 7?

Mr. BUDENZ. Well, there were considerable steps in this matter, Congressman. The discussions went over a long period of time. The Daily Worker constantly, by new devices, as we shall see, I believe, as we go forward, was trying to evade this issue and to discover new legal contraptions, if I may use that term, to confuse the issue.

Mr. KEARNEY. Would you mind giving the name of the counsel to the paper at this time?

I will withdraw that question.

Mr. TAVENNER. Now, the registration which was just handed you, of March 30, 1940, sets forth that the contractual arrangements were made through an oral agreement between Earl Browder and these various services, such as Runag.

Do you have any knowledge with respect to the development of that matter?

7 Mr. BUDENZ. Yes, sir. That was put forward solely in order to present the Daily Worker as becoming or already divorced from the Communist Party.

There were two stages in this effort to protect the Daily Worker and the Communist Party as foreign agents.

The first of these was to assure the Daily Worker being protected, so that under the cry of Freedom of the Press, which you will note finally became the name of the corporation controlling the Daily Worker, they would be able to have solid grounds for continuing the publication, which was actually a telegraph agency of directives to the Communists throughout the country.

Now, the first step therefore taken in the discussion was to endeavor to establish legally the independence of the Daily Worker from the Communist Party. This was one effort, that is, the statement by Browder, that he had made all the arrangements in regard to these agencies, and that he had done it on his own initiative, and that the Daily Worker merely accepted what he had done, but that the Daily Worker in no way was bound by his actions.

Mr. TAVENNER. Mr. Budenz, I would like to show you a copy of the letter from the Secretary of State to the Daily Publishing Company under date of April 3, 1940, which requests the Daily Publishing Company to furnish the details on the contractual arrangement between these various

news agencies through Mr. Browder.

Mr. BUDENZ. Yes, sir.

Mr. TAVENNER. I desire to offer it in evidence and ask that it be marked Budenz Exhibit No. 2.

Mr. DOYLE. It may be filed and so marked.

(The letter above referred to, marked "Budenz Exhibit No. 2," is filed herewith.)

Ex.

Mr. TAVENNER. I think it may be well to read the letter.

"Your registration statement, submitted, pursuant to the terms of Section 2 of the Act of June 8, 1938, as amended by the Act (Public, No. 319 - 76th Congress) approved of August 7, 1939, requiring the registration of agents of foreign principals, has been accepted and filed under the number 417 and date March 30, 1940.

"Although it is noted that, under paragraph 7, you state, 'We do not act as agent for any foreign principal', it is assumed that, inasmuch as you have submitted a registration statement in conformity with the provisions of law referred to above, your activities are of such a character as to come within the scope of the Act of June 8, 1938, as amended. Should this be the case, it would appear that your registration statement is incomplete in this respect, and it is

suggested, therefore, that you will wish to submit further information in this regard in order that your registration statement may be complete in all necessary particulars.

"It is noted that you have not furnished, in compliance with the instructions under paragraph 12 of the registration statement, a full statement of the terms and conditions of the oral agreement made on your behalf by Mr. Earl Browder with Runag (Rundshau, Delta Verlag) and Agence France-Monde. You are requested to transmit this information at once, in order that your statement may be completed in this respect. Your attention is invited, in this connection to chapter IV, paragraph (5) of the regulations issued pursuant to the Act of June 8, 1938, as amended, a copy of which is enclosed."

This is a photostatic copy of a letter which says:

"For the Secretary of State: Charles W. Yost,
Assistant Chief, Division of Controls."

Now, what was done in response to that request, which was made on April 3rd? Do you recall?

Mr. BUDENZ. Yes, sir. We had a discussion of that matter with Mr. Edward Kuntz, who was counsel for the Daily Worker, and as a result there was a communication sent in to the State Department, allegedly giving an explane-

tion of Browder's arrangements.

Mr. TAVENNER. I hand you a photostatic copy of the covering letter of Edward Kuntz of June 28, 1940, enclosing a letter from Earl Browder. I desire to offer it in evidence and ask that it be marked Budenz Exhibit No. 3.

Does that letter represent the result of the decisions reached relating to this matter?

Mr. BUDENZ. Yes, sir, that does.

Mr. DOYLE. Let it be marked and filed as an exhibit.

(The material above referred to was marked "Budenz Exhibit No. 3," and is filed herewith.)

Mr. TAVENNER. I would like to ask you a number of questions relating to the covering letter, but, first, with reference to the enclosure of Earl Browder: This letter purports to show the circumstances under which Earl Browder, acting in his allegedly private capacity, entered into verbal arrangements with these various news agencies prior to the existence of a publishing company, which was then registering, the Daily Publishing Company. Can you tell the committee anything about that, as to what the practice was, and what the real purpose was in Browder giving this letter?

Mr. BUDENZ. The real purpose of Browder giving that letter was in order to cut off the Daily Worker from the

onus of being a foreign agent; and by Browder's having made this arrangement, it was considered that it would be a private transaction, legally, and therefore that the Daily Worker could not be held to registration as a foreign agent for acts which were done in its behalf, the benefits of which it accepted, but which actually it had not either engineered nor agreed to.

Mr. TAVENNER. I would like to read the covering letter from Mr. Edward Kuntz. But before doing so, who was Mr. Edward Kuntz?

Mr. BUDENZE. Mr. Edward Kuntz was attorney for the Daily Worker. It is true that the Communist Party had its attorneys, and sometimes they stepped into the picture, but Edward Kuntz was technically the attorney for the Daily Worker itself.

Mr. DOYLE. May I ask you this question, right there? As a matter of fact, was it not generally agreed to that this process should be taken? And by "agreed to," I mean by the officials and attorneys for the Daily Worker, with Earl Browder.

Mr. BUDENZ. Oh, yes. It was agreed that this would be done in order to evade the Foreign Agents Registration Act.

Mr. DOYLE. When you say it was agreed, my question is directed to whether or not it was agreed to by the officials

of the Daily Worker and their legal counsel also.

Mr. BUDENZ. That is correct. I have been in conferences where this was discussed.

Mr. KEARNEY. Is Kuntz a member of the Communist Party?

Mr. BUDENZ. Yes, sir.

Mr. KEARNEY. He is?

Mr. BUDENZ. Yes, sir. I know Mr. Kuntz very well. I have been in his office very often, he has been in my office very often, and he is a member of the Communist Party.

Mr. TAVENNER. The date of this covering letter is June 28, practically three months after the inquiry sent by the State Department.

Mr. BUDENZ. When I say "he is", I mean of course he was during all the period that I was in the Party. I have no knowledge today of his affiliations.

Mr. TAVENNER. Mr. Chairman, I would like to read this letter. The letter is addressed to the Department of State:

"Gentlemen:

"In reply to your letter of April 3rd, 1940, re the above entitled matter, I am authorized on behalf of my client, Daily Publishing Company, to state the following: My client does not act as an agent for any foreign principal by reason of its agreement with

the news agencies mentioned. Its reason for giving the information contained in the questionnaire is simple enough: that it was given to understand that the Government desired the information and it received the questionnaire implying that there might be a question of legal interpretation, and my client had no reason to make an issue of the matter. The facts were therefor given and they speak for themselves. My client feels that under the disturbing conditions of this particular time, if the Government wishes to know of matters of connections or lack of connections with foreign concerns, anybody ought to be glad to cooperate in giving the information.

"In line with that position, we are enclosing herewith a photostat of a letter requested by us from Mr. Earl Browder and trust that the filing of the same will answer the request contained in the latter part of your letter.

"You will please note that the agreement referred to by Mr. Browder was made prior to the existence of the corporation which now publishes the 'Daily Worker'; however, my client requests me to inform you that it has continued the arrangement."

I want to read again one sentence and call it particularly to your attention:

"My client feels that under the disturbing conditions of this particular time, if the Government wishes to know of matters of connections or lack of connections with foreign concerns, anybody ought to be glad to cooperate in giving the information."

Now, does that sentence correctly reflect the attitude of the Communist Party in 1940, and that of the Daily Worker?

Mr. BUDENZ. It certainly does not.

At that time, Browder officially was declaring President Roosevelt to be another Hitler and was engaged in declaring that any aid given to Great Britain or any effort by us to strengthen our national security was imperialist and fascist. And, of course, you need only refer to the columns of the Daily Worker and to the proceedings of the Communist Convention of that year to know the intention was an attack on the United States Government and its head, Mr. Roosevelt; I mean, as head of the Government.

Now, in addition to that, it was at that convention of that year that the Communist Party gave a particular pledge of loyalty to Joseph V. Stalin, saying they were proud of their association with him.

So you see, this was scarcely in line with their pronounced sentiments -- and attitudes too, by the way.

Mr. TAVENNER. And, as a matter of fact, Mr. Budenz

was not the Communist Party and the Daily Worker, at the very time of the writing of this letter, on June 28, 1940, engaged in the work of contriving a plan which would conceal from the United States Government the very information that the Government was seeking to obtain here with regard to its connection with foreign powers?

Mr. BUDENZ. Yes, sir. They were engaged in at least three plans to that effect; that is, I mean, three full plans all working in the same direction. They were engaged in trying to find a way to get this source of directives from Moscow without coming under the Foreign Agents Act, and therefore concealing from the United States Government the true character of their principal and the source of their directives and information and the method in which it was financed.

It was completely financed by Moscow. And secondly, they were also preparing a way to divorce the Daily Worker itself from the Communist Party technically, and that was just being achieved at that time.

And thirdly, they were about to separate the Communist Party technically from the Communist Internationale, purely a legal maneuver for the same purpose.

Mr. TAVENNER. Now, you spoke of a plan being made by the Communist Party to divorce the Daily Worker from the Communist Party technically. What did you mean by that?

Will you elaborate?

Mr. BUDENZ. Yes, sir. It finally was worked out, through the establishment of a new corporation. I used to say we had more corporations down there in the Communist Party headquarters than they have on Wall Street. But they appear every so often.

Now, there had been the Contra Daily Publishing Company; then the Daily Publishing Company. And all this was coming about during this period. And then there came about the Freedom of the Press Company, Incorporated, of which I became the president. That, if you will notice the change in masthead, shows that it is no longer the organ of the Communist Party -- though actually it was. Therefore, it was to be my position, along with that of Benjamin J. Davis, who was one of the officers, to make the assertion, should it ever be necessary, that we were not actually an organ of the Communist Party, and indeed were only connected with it in the sense that we advocated certain views which coincided with those of the Communist Party.

Mr. TAVENNER. In other words, that was part of the strategic plan, to set aside the Daily Worker as a separate organization to act publicly.

Mr. BUDENZ. Yes, sir. At that time the Communist Party began to go underground completely, with its leadership. Bittelman disappeared. Stachel disappeared. There were

only four national leaders left on the ninth floor. I mean, by degrees, this took place. Dennis disappeared. They all went underground. And the idea back of this whole thing -- I mean, this was progressive. The climax finally developed in 1941. But ~~the~~ process was going on.

And the idea back of it all was that in the final eventuality the Daily Worker could be preserved as the place from where directives could be issued, and that it would be appearing under the phrase "The Freedom of the Press," that being a popular phrase which it was felt would be able to support them in that contention, and the Daily Worker was to be set aside as though it were not the organ of the Communist Party and as a matter of fact as though it were only following a certain Communist viewpoint but was not organically connected with the Communist Party.

Mr. TAVENNER. Then I understand there was a strategic plan by which the Communist Party would remain above ground, so to speak; but even as to it there should be no connection openly with the Communist Party?

Mr. BUDENZ. The Daily Worker, you mean?

Mr. TAVENNER. I meant to say the Daily Worker.

Mr. BUDENZ. That is correct.

Mr. TAVENNER. In other words, the connection of the Daily Worker with the Communist Party and the Communist

Internationale should be a secret matter?

Mr. BUDENZ. That's right. Legally at least; so that we could contend legally that that was the case.

Mr. TAVENNER. But covertly the same relations were to continue?

Mr. BUDENZ. Exactly the same relations. William Z. Foster continued to be the representative of the Politburo, meeting with the editorial board, and we continued to receive directives from the Politburo, and we continued to receive directives from Moscow, exactly the same as had taken place before.

Mr. KEARNEY. As a matter of fact, any decision made by the Communist Party in this country was dictated by Moscow, was it not?

Mr. BUDENZ. Absolutely. There could be no deviation from what Moscow ordered.

Mr. TAVENNER. Now, to carry out the point that you have made in regard to this dual capacity of the Daily Worker and this change of the situation on its face, I hand you photostatic copies of the Daily Worker for July 31, 1940 and the following day, August 1, 1940, and ask first that they be marked Budenz Exhibits 4 and 5.

Mr. DOYLE. They may be so marked.

(The copies of the Daily Worker referred to, marked "Budenz Exhibits 4 and 5, are filed herewith.)

Ex.

Mr. TAVENNER. And I will ask you to examine the mastheads and ask you what significant change appears there.

Mr. BUDENZ. The masthead of Wednesday, July 31, 1940 contains the sickle and the hammer, that is, the official insignia of Soviet Russia, right between the words "Daily" and "Worker." It also says, below that "Central organ, Communist Party, U.S.A., affiliated with Communist Internationale, published daily except Sunday by the Daily Publishing Company, Incorporated, 50 East 13th Street, New York, New York."

Then it gives a list of the officers, the telephone number, and other information of that character.

On the next day, Thursday, August 1, 1940, the Daily Worker has dropped the sickle and hammer, and it is merely "The Daily Worker, published daily except Sunday by the Freedom of the Press Company, Incorporated, 50 East 13th Street, New York, New York." Then it gives the list of officers, who are all changed, with myself as president. It is to be noted that "central organ of the Communist Party" has been dropped, "affiliated with the Communist Internationale" has been dropped, but the address remains the same, the telephone number remains the same, the cable address remains the same, and everything else except the names of the officers remains the same.

Mr. TAVENNER. I hand you now the registration for

the year 1940 under the name of Freedom of the Press, Incorporated.

Mr. DOYLE. First, may I ask: Did you want to have the exhibits that were previously marked accepted?

Mr. TAVENNER. Yes. I thought they had been received.

Mr. DOYLE. Those documents may be filed.

Mr. TAVENNER. I desire to offer this registration, that is, the registration of Freedom of the Press, Incorporated, in evidence, and ask that it be marked Budenz Exhibit 6.

Mr. DOYLE. It is so ordered.

(The document referred to was marked "Budenz Exhibit 6," and filed herewith.)

Ex

Mr. BUDENZ. Yes, sir, I am familiar with this.

Mr. TAVENNER. I notice that your name appears as president of the corporation.

Mr. BUDENZ. Yes, sir.

Mr. TAVENNER. I believe you testified a moment ago as to that fact.

Mr. BUDENZ. Yes, sir.

Mr. TAVENNER. This was the new corporation formed for the purpose of carrying out this strategic plan that you had mentioned a few moments ago?

Mr. BUDENZ. That is correct, Freedom of the Press Company, Incorporated.

Mr. TAVENNER. Will you look again at Question 7 in this registration and state whether or not the answer given there is the same as was given by the Daily Publishing Company in its registration of March 1940?

Mr. BUDENZ. Yes, sir. It is substantially. Through the business of stating, "We do not act as agents for any foreign principal," and then going on to say that they had purchased the assets of the Daily Publishing Company and had made arrangements with Runag to continue their service.

Mr. TAVENNER. Will you look at two cablegrams attached at the very back of the registration statement?

Mr. BUDENZ. Yes, sir.

Mr. TAVENNER. Will you state what they are, please, and what their significance is?

Mr. BUDENZ. One is a cable dated August 2nd. That is the date after this announcement; August 2nd, 1940. It is from Runag, stating that they have been informed that the ownership of the paper has changed, and wishing to know if they wanted to continue on the same terms. And the cable back from the Daily Worker says that the new management proposes present service provisionally until it can send a representative to negotiate on a permanent basis.

Mr. TAVENNER. I notice that that had its origin in the cable from Runag.

Mr. BUDENZ. Yes, sir.

Mr. TAVENNER. Actually, was that whole thing arranged ahead of time, so that Runag would cable you with regard to that matter?

Mr. BUDENZ. Yes, sir, it was.

Mr. TAVENNER. And what was the purpose of that exchange of cablegrams?

Mr. BUDENZ. That purpose was in order to place on the record these cablegrams to make it appear as though Runag was dealing in an independent or commercial way with the Daily Worker and was inquiring as to whether this new corporation, which Runag was surprised to find in existence apparently, would want to do business with it as the other corporation had done business with it.

Mr. TAVENNER. But all having its origin here in the United States.

Mr. Chairman, this is a convenient break in the testimony, I believe, if we are going to have an executive session before lunch.

Mr. DOYLE. The committee will resolve itself into executive session and will hear Miss Bentley's testimony in executive session. That means that all visitors are excused from the room. And Mr. Budenz will take up his testimony at 2:30.

Will that be satisfactory, Mr. Budenz?

Mr. BUDENZ. Yes. That will enable me to get away today, Mr. Chairman?

Mr. DOYLE. Yes.

Mr. BUDENZ. Thank you very much.

(Thereupon, at 11:55 a. m., the public hearing was recessed until 2:30 p.m., and the committee resumed in executive session.)

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AFTERNOON SESSION

The hearing reconvened at 2:35 p.m., upon the expiration of the recess, Representatives Francis E. Walter, Bernard W. Kearny, Harold H. Velde, and Donald L. Jackson being present, Mr. Doyle, presiding.

Mr. TAVENNER: Mr. Budenz, will you occupy the witness chair, please?

Mr. DOYLE: This morning when we recessed, we recessed until this hour. Let the record show that a subcommittee was set up to continue this hearing consisting of Mr. Jackson, Mr. Kearney, and Mr. Doyle, Mr. Jackson and Doyle being present at this minute, and Mr. Kearney will come in.

TESTIMONY OF LOUIS F. BUDENZ - Resumed

Mr. TAVENNER: Mr. Budenz, in our morning session we had developed two main points, I take it, from your testimony; the first the strategy that the Communist Party resorted to in its effort to conceal the communist affiliation of the Daily Worker with the Communist Party, beginning at a specific date in 1945.

Mr. BUDENZ: That is right; that part of it is correct.

Mr. TAVENNER: And also a second strategy, that of continuing the transmission belt of information and directives from Moscow to the Daily Worker and the Communist Party.

Those two main strategies we had developed in the course of your testimony.

Mr. BUDENZ: Yes, sir. That was what was the objective, and that was what at least temporarily was attained.

Mr. TAVENNER: Now, we would like to know the extent to which Grace Granich participated in both of those strategies. But before asking you specifically regarding Grace Granich, I desire to introduce in evidence a letter from Mr. Edward Kuntz, attorney, to the State Department, under date of April 19, 1941, and ask that it be marked Budenz Exhibit No. 7.

(Representative Bernard W. Kearney entered the hearing room at this point)

Mr. DOYLE: That will be so marked and filed with the committee.

(The document above referred to was marked Budenz Exhibit No. 7 and filed herewith)

Mr. DOYLE: May the record at this point show that Mr. Kearney has taken his seat on the committee.

Mr. TAVENNER: I will read the paragraphs in this letter which are pertinent to the Graniches:

"In March of this year a contract was entered into between my client and Grace Granich doing business as the Intercontinent News whereby all foreign news and cable service was and is to be furnished by that company. The contract became effective on April 1, 1941. Since April 1 my client has discon-

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tinued all relationship with any other foreign news services, and the only news services with which it now does business are the United Press and the Inter-continent News, both American firms. All other direct or indirect relationships with any foreign principal has been discontinued as of that date.

/?

"I am writing this communication to you to acquaint you with those facts, since I believe that it is no longer necessary for my client to register under the laws and regulations governing the registration of agents of foreign principals. I believe you will see the legal correctness of this, but I wanted you to be fully informed so that no misunderstanding might occur. Since the last registration period has really expired, or is about to expire, I do not think it necessary to make application to withdraw the present registration. However, if your department should prefer that method, it will be very pleased to comply with any suggestions you may have on that score."

That shows that a contract was entered into between the Freedom of the Press, Inc., of which you were then President?

Mr. BUDENZ: Yes, sir; I signed the contract with Grace Granich.

Mr. TAVENNER: And Grace Granich?

Mr. BUDENZ: Yes.

Mr. TAVENNER: Will you tell the committee the circumstances which led up to the contract with Grace Granich without repeating what you have already said as to the reasons for the action taken?

Mr. BUDENZ: Well, before this there had been formed this corporation known as the Intercontinent News Corporation. That was in the spring of 1940.

Grace Granich was already active in it. However, this corporation, which was supposed to do what she finally did here -- that is to serve as a buffer or cover, rather, for the transmission of the directives from Moscow -- did not get fully functioning for several reasons.

The first of these reasons was that it was found difficult by the counsel for the Communist Party and the Daily Worker to devise a means which would explain this tremendous expenditure and the small amount of money that either the Daily Worker or the Freiheit -- which was mentioned here before -- could pay for such service.

A second reason was that one of the directors of this Intercontinent News Corporation, Alexander Trachtenberg, had been before the House Committee on Un-American Activities around the latter part of 1939 and there was a fear that he would be recalled before this committee.

And there was fear that his interconnection with Moscow would be so pronounced that it would injure International Publishers, which is the outstanding communist publication. Mr. Trachtenberg was constantly in touch with Moscow on that score. All his books had to be approved by the Marx-Lenin Institute in Moscow before they were published here.

And to have him engaged in another interconnection with Moscow was considered to be dangerous.

As a matter of fact, we were compelled, under instructions from the Political Bureau not to mention Mr. Trachtenberg any more as a member of the Central or National Committee.

Now, those were true of several reasons that this corporation did not get fully into the swing as was expected. Therefore, it was decided after several conferences, which lasted over several months, that Grace Granich would take over as a private firm or concern or individual in business, the idea of transmission or reception, rather, of articles and directives from Moscow, and that this would appear to be her own private business.

And that is what took place in the spring of 1941. She took over the whole thing legally, and, therefore, it became her business, so far as the legal question was concerned.

Mr. TAVENNER: Where were her offices maintained when she first began the work of organizing the Intercontinent News Corporation?

Mr. BUDENZ: In the headquarters of the Communist Party at 35 East Twelfth Street, New York. But in the spring of 1941 she moved over to 799 Broadway.

At the same time, the Daily Worker no longer received transmissions from Runag, and we did not have so many machines in there as formerly.

Mr. TAVENNER: Did she move over there as a result of directions received from the Communist Party?

Mr. BUDENZ: Oh, yes. As a result of instructions received from the Political Bureau and, likewise, these numerous discussions with Earl Browder, Joseph Brodsky, Mr. Kuntz, and other leading communists.

Mr. TAVENNER: What was the purpose in requiring her to move her office out of the communist headquarters?

Mr. BUDENZ: In order to make this appear to be her own private business, independent from either the Communist Party or the Daily Worker. That is, selling services to the Daily Worker rather than being an arm of the Daily Worker and the Communist Party.

Mr. TAVENNER: In other words, to perfect the cover which it was intended to establish?

Mr. BUDENZ: That is correct.

Mr. TAVENNER: Did you have occasion to confer with Grace Granich about the type of service that was to be given by her trading as the Intercontinent News?

Mr. BUDENZ: Yes, sir. I had many conferences with her -- a number before this accomplishment in the spring of 1941, and then constant conferences with her, once a week, on the service itself.

Mr. TAVENNER: Yes. Now, before going into the conferences which occurred after the service had begun, I want at this time to introduce in evidence a registration statement of October 1, 1942, made by Grace Maul Granich, and ask that it be marked Budenz Exhibit No. 8.

Mr. DOYLE: It will be so marked and accepted by the committee.

Ex

(The document above referred to, marked

Budenz Exhibit No. 8, is filed herewith)

Mr. TAVENNER: Mr. Budenz, it appears that by this date, October 1, 1942, the administration of the Foreign Registration Act had been turned over from the State Department to the Department of Justice.

Mr. BUDENZ: That is correct.

Mr. TAVENNER: Therefore, she was required, that is, Grace Maul Granich was required at that time, the time of the transfer of these matters to the Department of Justice, to reexecute her registration, or to refile.

Now, this registration form is slightly different from the one which has been used by the State Department, but I want to refer to several questions asked her and replies made by her.

On page 2, section c, this question is asked:

"Name and principal business address of each foreign principal on whose behalf or in whose interest registrant performs any activity requiring registration."

And the answer is:

"Universal Press Service, 81 Gorki Street, Moscow, U.S.S.R.; cable address SUPPRESS, Moscow, and UFFA and Runag, Moscow."

Now, in the previous registration that had been made by the Daily Publishing Company and Freedom of the Press, Inc., in each instance it had been stated in answer to a similar question that there was no representation of a foreign agency.

But Grace Granich represents that she is the agent of a foreign principal.

Mr. BUDENZ: Yes, sir; she does, and that was because now she had separated herself technically, or legally, from the Daily Worker, and it was felt that at least that part of the realities had to be faced.

As a matter of fact, Earl Browder said that this might

have to be only a delaying action until we could find other ways to obtain the directives. Some of our own comrades down here in Washington had stated, those who were in positions where they might be consulted, that it was obviously a foreign agency since so much of the money was paid by Moscow, and that if they were asked by any governmental department what their opinion was in order to protect themselves for other work, they would have to say that this wouldn't stand up.

That is what Browder told us.

Mr. TAVENNER: And that was back during the days that the Daily Publishing Company and Freedom of the Press Inc., were endeavoring to register?

MR. BUDENZ: That is correct.

Mr. TAVENNER: If pinned down your own leaders would have to admit that they were representing a foreign principal?

Mr. BUDENZ: Well, at least leading communists in Washington, who were not known as communists, but who might be asked.

If I might mention a representative's name, Lee Pressman. They might be asked by a governmental department with whom they were in contact what they thought of this thing, and they said it was so obviously a foreign agency that in order to protect themselves in other activities they

would have to say that it was.

Mr. TAVENNER: When you mention Lee Pressman, did you intend to state that he was one person who had made such a statement?

Mr. BUDENZ: No, I did not. But he was one of our communists in Washington. No names can be remembered by me at the moment.

Mr. TAVENNER: That is the point. You cannot recall the names of any specific individuals in Washington who gave you that advice?

Mr. BUDENZ: No, I cannot.

Mr. TAVENNER: The result was that Grace Granich was instructed to register and admit in her registration that she was the agent of a foreign principal?

Mr. BUDENZ: That is correct.

Mr. TAVENNER: Now, the foreign principal is stated a little bit differently in this registration than in the former one. The foreign principal is stated to be universal Press Service.

What was the Universal Press Service?

Mr. BUDENZ: That was just a Runag made over again. So far as our information went, the process continued just the same way, and the articles were just the same, and we were advised it was the same, except it had a different name.

The committee is appreciative by now that that is a communist method, changing the name of organizations, but letting them remain substantially the same.

Mr. TAVENNER: The cable address was also the same?

Mr. BUDENZ: Yes.

Mr. TAVENNER: Now, was it also under the direction and control and also owned by the People's Commissariat of Communications as Runag was?

Mr. BUDENZ: That is correct. It was the creature and in possession of the People's Commissariat of Communications.

Mr. TAVENNER: Was the People's Commissariat of Communications a branch of the government of the USSR?

Mr. BUDENZ: Yes, sir; it was an important branch of the Government of the Soviet Union. It controlled all communications within the Soviet Union, and those that went from the Soviet Union outside, which were at all communist in character.

Mr. TAVENNER: There is another section in this registration form which I would like to read to you on page 3, section g, of item 2:

"Question: The name, address and a brief description of the functions of every organization in the United States or elsewhere of which registrant is or has been a member during the two years

preceding filing of this registration statement, stating as accurately as possible the dates of such memberships.

"Answer: International Workers Order for past seven or eight years, fraternal insurance."

And then another item:

"Until January 1, 1941, communist Party, USA, political party."

Now, was that a truthful statement as to Grace Granich when she said that until January 1, 1941, she was a member of the Communist Party?

Mr. BUDENZ: No, sir; unfortunately it was not. She perjured herself there. She was a member of the Communist Party up until I left the Communist Party. She attended national committee meetings where only communist Party members were admitted, and the leading ones at that.

She also conferred with me repeatedly in the Daily Worker in person, as a member of the Communist Party.

Mr. KEARNEY: What date is that?

Mr. TAVENNER: The date of registration is October 14, 1942.

Mr. KEARNEY: The statute of limitations has run on that.

Mr. TAVENNER: Yes.

In conjunction with the activities of the Daily Worker,

or, I should say, of the Communist Party, with regard to the Daily Worker, keeping concealed the fact of its communist affiliation, did the Communist Party of the United States near the same time take action to conceal its connection with the Communist International?

Mr. BUDENZ: Yes, sir. It withdrew from the Communist International after the passage of the Voorhis Amendment to the Foreign Agent Registration Act. That is approximately in the fall of 1940, toward the winter of 1940.

At that time Browder stated to the National Committee -- I being present -- that this was purely for legal purposes, and, indeed, he stated that in print, now, either in the communist, or in the Daily Worker, it is in print to the effect that this was a legal maneuver.

Mr. TAVENNER: And as far as actual facts are concerned, it was a mere subterfuge?

Mr. BUDENZ: That is correct; it was purely for the purpose of evading the Voorhis Amendment to the Foreign Agent's Registration Act.

Mr. TAVENNER: Now, did the Intercontinent News as organized by Grace Granich also furnish directives to the Communist Party as distinguished from the Daily Worker through the services of the Intercontinent News?

Mr. BUDENZ: Well, the chief purpose of these services was to give directives to the Communist Party, which

would express them through the Daily Worker, first by printing the great number of them, that is, publishing them, and, secondly, by having them affect the editorial quality and the writings of the staff members of the Daily Worker. They were used to extend the line.

This is the way, in large part, the line of the party was learned from Moscow. Just as today it is learned through the Cominform.

But this method was necessary to carry on the communist conspiracy in accord with whatever Moscow would decide.

Therefore, in addition to some articles which were published, on all copies of every article which was received, a duplicate was sent immediately to the ninth floor for their information, and in order that they would have the latest directives at their disposal.

On the basis of that, the ninth floor, to my knowledge, in addition to using the Daily Worker as its telegraph agency to the communists throughout the country, at the same time would also issue occasionally directives to the district leaders through the country in regard to the formation of a communist front, for example, that was called for by the Moscow directives or for another group called for by these directives.

Mr. TAVENNER: The function then played by Intercontinent

News, operated by Grace Granich, was indispensable to the operation of the party as it was then organized?

Mr. BUDENZ: Yes, sir; it was an indispensable method of getting directives. Of course, as I say, not only Browder, but Joseph Brodsky, the late Joseph Brodsky, and even Grace Granich herself eventually did say that we had looked upon this probably as a delaying action until other methods of getting directives could be obtained.

But it was a very fruitful method because it came in every day and came in in thousands of words.

MR. TAVENNER: Now, how was this service paid for?

Mr. BUDENZ: This service was not paid for in the United States. It was paid for in Moscow. The agency responsible for it was the People's Commissariat of Communications. I have not seen the bills, because Grace Granich handled the billing, but on several occasions when we discussed the overwhelming amount of money that was paid by Moscow and the small amount that was paid by the Daily Worker -- after this arrangement -- it was said that the People's Commissariat of Communications was responsible.

I am, therefore, inclined to say they paid the bills, although they did eventually pay them, but whether they paid them directly or indirectly, would have to be checked up by this committee.

They, however, paid the bills in the sense that they

were responsible for them, that their agency paid the bills whenever the Commisariat did not directly do so.

Mr. TAVENNER: In other words, it would be accurate to state that this important function was subsidized from a foreign principal?

Mr. BUDENZ: It was subsidized by the Soviet Government.

Mr. DOYLE: At this point, Mr. Counsel, may I ask what percentage of it was paid by the Soviet Government as compared with the percentage paid by the Daily Worker?

Mr. BUDENZ: Originally, under the Runag arrangement, one hundred percent was paid by Moscow. In the effort to establish this independent agency in a legal sense, the Daily Worker originally paid, I think, six hundred dollars a month, and then reduced it to five hundred dollars.

The Freiheit paid several hundred; I should say about three hundred dollars a month. That is all that was paid.

Now, the bill in itself ran into hundreds of thousands of dollars. I cannot give it to you. Some years it was larger, and some years it was smaller. But it was infinitesimal, the amount paid by the Daily Worker and the Freiheit.

Mr. TAVENNER: Was that a matter of concern to the leadership of the Communist Party as to what answer might be given if the source of income should be questioned?

Mr. BUDENZ: That is correct. That was the reason for all of these discussions which went over a period of several years, and even continued after the Intercontinent News was in existence.

As a matter of fact, not only were these discussions, official discussions from time to time, but very frequently Grace Granich told me of her concern on the matter. And, therefore, the effort to get the appearance of being an independent agency by getting certain individuals to subscribe to Intercontinent News Service was made. She admitted to me she couldn't get enough to make it look very reasonable.

Mr. TAVENNER: How often did you have occasion to confer with Grace Granich while the Intercontinent News was being used by the Daily Worker?

Mr. BUDENZ: Every week. Now, sometimes these conferences would be on the telephone, but very frequently they were in person. That is, Grace Granich coming over to the Daily Worker to see me on a certain day of the week.

Sometimes because of the pressure of work, or something of that sort, she would call me up and we would have a conversation, or several conversations about the coverage. So that I should say I conferred with her, on an average of, well, there were even conferences in addition to these.

I should say that I conferred with her specifically about this coverage in person three times a month for several years.

Mr. TAVENNER: You have told us in a general way of the importance of this service in making available to the Daily Worker and the Communist Party directives emanating from the Communist International.

Mr. BUDENZ: Yes, sir.

Mr. TAVENNER: Now, can you be more specific by recalling any particular instances in which directives were received during the period of time that Grace Granich operated the Intercontinent News, and the circumstances which recall them to your mind?

Mr. BUDENZ: There are a great number of cases. The difficulty is I have not had an opportunity to check up on the files of the Daily Worker to refresh my memory. But a couple do stand out without having done that.

There is the case of the formation of the American-Slav Congress. This was ordered directly by Moscow in the method they use.

That is to say, by popularizing and publicizing the formation of these Slav congresses in Moscow, and the proposal they be formed elsewhere. That was definitely regarded by the ninth floor as a directive by Moscow, and was such. When I say the ninth floor, I mean the Political

Bureau of the party.

I was present at a discussion on the matter in addition to a number of what we might call unofficial discussions. And the American-Slav Congress was formed on orders from Moscow received through the directive obtained from the Intercontinent News Service.

Another case is the prewarning which the Communist Party received in May 1941 that there was to be a new line in regard to Hitler. This was a month before Hitler's attack on Stalin.

Of course, we could not tell how drastic the change in the new line was to be, but two communications through Intercontinent News advised us definitely that we should prepare for a change in line. These were expressed in the form of the first criticisms of Hitlerite conquest on any sharp scale coming out of Moscow.

That is to say, they represented the struggles in Yugoslavia and Greece as more or less liberation struggles against Hitler. Previous to that, Moscow's main effort had been to applaud Hitler as a peacemaker whenever they mentioned him. First they did say it was imperialist, but they softened on him and now they sharpened.

One of these communications was considered of greatest importance. So much so that Jack Stachel, who was then under cover, completely under cover, sent word to me through

William Z. Foster, who was the political bureau representative to the editorial board, that we had not played this up sufficiently, although we gave it a good place. This was a communication from Moscow for May Day, signed by F. Ring.

Immediately, there was an analysis of it, and Trachtenberg, who had been partly under cover, even came around to the Daily Worker to inform me that this was a very important communication; that it actually came from George Dimitrov, the Secretary of the Communist International.

How did he know that? Because this phrase "F. Ring" was an abbreviation of an address in Berlin which had formerly been used by the Communist International apparatus in Berlin -- that is, that section of it in Berlin.

Mr. TAVENNER: We have endeavored to find the article to which you referred.

Mr. BUDENZ: It was a substitute, if I may state, Mr. Tavenner, for the formal May Day message which we received from the Secretary of the Communist International. It was immediately interpreted that was sent in this fashion to use under the name of F. Ring in order not to prematurely arouse the anger of Hitler.

Mr. TAVENNER: But it was the tip-off to the Communist Party of the USA that there was about to be a drastic change in the party line?

Mr. BUDENZ: That is correct. There was to be a change in the party line that there were differences arising between Stalin and Hitler, though, of course, we had no idea of what form it would take.

Mr. TAVENNER: But the rank and file of the Communist Party learned nothing about that until virtually the day of the attack of Hitler upon Poland; is that true?

(At this point Representative Francis E.

Walter entered the hearing room)

Mr. BUDENZ: Except for the fact that this did indicate, among those that were alert through the party leadership through the country, that there was a change. There was a change in emphasis in both these articles.

But specifically, the importance of this one that I mention, F. Ring, which appears in the Daily Worker of April 27, 1941, the May Day Sunday edition, was that it came from the Communist International, and was the substitute for the normal Communist International May Day greetings.

And in this Hitler is severely criticized for his attack on Yugoslavia and Greece. There is a greater review which also showed a certain animus against Hitler which was not evident before.

The week before that, on April 22, there appeared the first warning on this matter, and that was an article which we continued to play up, incidentally, with the same slogan

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we were using, "Peace, Peace, Peace", which is, of course, the same Soviet slogan today in this period, and saying, "antiwar resentment rising in Balkan Mid-Europe nations", but when you read it you see it is an attack upon Hitler. It quotes the German communists as distributing secret pamphlets against Hitler.

This came without a name attached to it at all to the Intercontinent News.

When the communication came from F. Ring, and we recognized it as the substitute for the normal May Day greetings through the Communist International, its importance was, of course, the matter of great discussion, and it was understood there would be a change in line.

As a matter of fact, I know about this very vividly because Jack Stachel, from his hideout, sent instructions that I had not appreciated that sufficiently enough politically and had not played it up in large enough measure. Although I thought I gave it quite a large play. He felt it should go in a huge document right across the full page of the paper, as communists generally do when they have something that comes officially from the Communist International.

Mr. TAVENNER: There was no effort to pass that information on to any government agency in the United States, I suppose?

Mr. BUDENZ: Not to my knowledge.

Mr. TAVENNER: Referring back to the American-Slav Congress- - or the directive to establish American-Slav Congresses in the United States, did that turn out to be one of the principal front organizations of the Communist Party?

Mr. BUDENZ: Yes, sir; it proved to be one of the principal and most productive fronts of the Communist Party. It would enable the communists in these various Slav groups to extend their influence, in the first place, and to divert all the attention that they could toward loyalty to Moscow.

Mr. TAVENNER: This committee made a very full report on the American-Slav Congress and associated organizations in 1949. I suppose you are acquainted with that report?

Mr. BUDENZ: Yes, sir. It is a very thorough report.

Mr. TAVENNER: In this report issued by the Committee appears the statement:

"Although there is no visible record of any communist-inspired national liberation movement among Slavic nationals of German occupied territory prior to June 21, 1941, a far-reaching network of organizations was established subsequently for such agitation. On August 10 and 11, 1941, an all-Slav conference was held in Moscow."

And then also contained in this report is the following statement:

"The All American-Slav Congress was formed in Detroit on April 25-26, 1942, in response to the appeal of the All-Slav Congress previously held in Moscow."

Mr. BUDENZ: That is correct. It is to that I am directing your attention. That appeal came through these services from Moscow, and also the knowledge of the organization, the fact that the plan was to form the Slav Congresses in various countries.

Mr. WALTER: The American-Slav Congress was in existence before that time, was it not, Mr. Budenz?

Mr. BUDENZ: It may have been in existence in a primitive form, or temporary form, but it came into the permanent form in 1942.

Mr. WALTER: And from its inception it was a communist front?

Mr. BUDENZ: Oh, absolutely; it was always a communist front. In fact, I know this fellow in connection with it very well indeed, Bolislav Gebert. He was not only a communist, but a communist espionage agent. He had been district organizer in the Communist Party in Chicago for years and assigned to infiltration of the automobile and steel industries in Detroit and now is head of the

Trade Department of the Soviet-controlled World Federation of Trade Unions.

You know that just recently they made a statement in regard to upsetting the economies of the democratic nations, and Gebert has a great deal of responsibility in that respect, because he is the head of what they call their Trade Commission.

That is that commission which has to do with raising the question of wages and hours, and things of that sort.

And then I also know Mr. Leo Krzycki. I have known him for years. He is the president of the American-Slav Congress.

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While he was not a Communist -- that is, so far as I know definitely, and I have known him for many years -- he did state to me that he had thrown his lot in with Moscow, and that that was where every man would have to turn who really wanted to serve the truth. I have had other discussions along the same line.

Mr. WALTER. Where is he now, Krzycki?

Mr. BUDENZ. I do not know. He formerly was vice president of the Amalgamated Coal Workers.

Mr. WALTER. Is he not connected with some labor movement in the State of Pennsylvania at the present time?

Mr. BUDENZ. That I would not be able to say. There are others whom I know here, too, that are Communists in that picture there. There are quite a few Communists showing their faces, and the whole movement was engineered by the Communists. In fact, so much so, that I think you will find that some nonCommunists had to get out finally.

At any rate, the fact is that the whole thing was organized, initiated, and made permanent by the Communists.

Mr. WALTER. Its original officers were fellow travelers, at least, were they not?

Mr. BUDENZ. Fellow travelers, but quite a few were Communists. And the moving spirit behind it all was Gebert, Bolislav Gebert.

Mr. TAVENNER. Do you know how Gebert left this country?

Mr. BUDENZ. Well, that was actually a public document. It was Stalin's order of the day which, from time to time, he issued to the Red Army. But it was a rule imposed upon us from Moscow that we should not rely upon the capitalist press or press agencies for any official statement of the Communist leadership, and particularly of Stalin. Therefore, our request was to get the full and complete English translation as authorized by Moscow of Stalin's order of the day, which we received. This, by the way, was why they used the procedure to get any report of a leading Communist in Moscow complete, that is, the whole speech, or report, which we would print. And we did not rely on the capitalist news agencies, as we called them, for these reports. We had to get the authorized English translation from Moscow.

Mr. TAVENNER. The authorized English translation was received through the Intercontinent News?

Mr. BUDENZ. Yes, sir. Not only this one, but many other such statements of Communist leaders, such as Molotov and others. Each one of these, of course, again contained a directive, and that is to say, the particular propaganda that would be gotten out, the particular objective that the Communist Party would work for, just as today the Communist Party has a Cominform organ coming in here every week and giving the directives likewise which you will find echoed

in Political Affairs, the official organ, and then the same phrases, almost, echoed in the Daily Worker.

Mr. WALTER. How did this Cominform periodical come? How is it delivered?

Mr. BUDENZ. It comes in, as far as I know, just by regular processes, and can be obtained at certain places. It is called, ironically enough, "For a Lasting Peace For a People's Democracy." The other present agency of instructions is the New Times coming direct from Moscow in the form of a supplement to the magazine Trud. It comes in here every week, likewise, the New Times. It is the successor to the War and Working Class and that in turn is the successor to the Communist International Magazine. They had to change these names, as the cases may require.

These two publications, if you read them regularly, you will find the same thing emphasized, not merely in argument, but also in insisting that certain things be done in Political Affairs, which is the successor to The Communist Here, and then in the Daily Worker.

Mr. JACKSON. May I ask a question?

Where does the USSR information bulletin fit into this?

Mr. BUDENZ. Of the Soviet embassy?

Mr. JACKSON. Yes.

Mr. BUDENZ. It plays its part, too. As a matter of

fact, there was a sort of an interim there or inter-regnum where we were in difficulties.

Finally, because of the pressure of the Department of Justice, the Intercontinent News had to cease existence. That was actually to protect the Daily Worker, because if the Intercontinent News was a foreign agent it was certain that further examination, as I have said our discussion showed, would disclose the Daily Worker as the beneficiary and ally of a foreign agent, and therefore it would affect the Daily Worker. That finally ceased existence, therefore.

There we were in difficulties for a while having to rely on reading what appeared in the capitalist press in regard to what Pravda said in Izvestia, and the like.

We established a correspondent in Moscow and arranged for through Moscow, paying him something, but not very much, the supposition being that Moscow would take care of him, but that did not give us this coverage of the world that formerly we had. Because both the Runag and Intercontinent News gave us material from China,, as I have stated, and from Poland and from Germany and from all other countries; this flowing into Moscow first and then flowing back to us.

Therefore, the Politburo ordered us to make more use of the information bulletin of the Soviet Embassy in so far as we could, and that was done for some time, not so much in adhering to it, but using it as a guide to editorials

and articles, and the like.

Mr. JACKSON. The Information Bulletin is a propaganda organ of the Communist Party and carries nothing but the Communist Party line, does it not?

Mr. BUDENZ. Everything that comes out of Soviet Russia, or has to do with Soviet Russia, is for a political purpose, even where they form some innocent looking organization or promote some innocent looking activity, it is all designed to promote the Communist Party and the Communist causes.

Mr. JACKSON. The reason I brought this up, Mr. Chairman, is the fact that I have had several protests this week from the Los Angeles Board of Education on the Information Bulletin, which is being delivered through the United States mails to the libraries of the various universities and schools down at the high school level in my district. And your statement, Mr. Budenz, should put an end to any academic discussion as to whether or not the information bulletin is an objective organ of or an organ of Communist propaganda.

Thank you very much.

Mr. TAVENNER. I might add, Mr. Chairman, in that connection that the staff of the committee has been receiving the same kind of complaints for more than a year.

In each instance letters have been written to the

superintendents of schools of the States involved, giving them in substance the same kind of information as to where they emanate from.

Mr. WAITER. Does that not indicate to this committee that we ought to pay some attention to the advisability of enacting some kind of legislation to deal with this situation?

Of course, a person can get on very thin ice when you have to regulate the dissemination of information through the mails. But we are not deceived any longer by what this information is.

It certainly is not news. I do not know how the freedom of speech or freedom of the press could possibly be impaired if we attempted to do something about the distribution of this kind of propaganda, -- and propaganda it is and nothing else.

Would you agree with that, Mr. Budenz?

Mr. BUDENZ. Yes, I do. They are all Communist articles and publications containing directives. That is the way the Communist gets his directives. That is the way you know what to do. And you must be very exact about it at that time. And one of the greatest proofs you could find for this that I have stated, is if any one examines, for example, the organ of the Cominform as the best example and reads it a couple of weeks, in a week or two you will see exactly the same argument, and particularly these are

not arguments, these are directives to do things, like the recognition of Red China. I give that example, or something like that. It will appear first in very strong articles or reports in the Cominform organ, and then it will be taken up by Political Affairs, the theoretical organ of the Communist Party, and it will appear then in the Daily Worker, which goes out. When the Daily Worker goes out to every district leader, the first thing he must do is open that Daily Worker and examine what it contains for him that day. And that is done as a method of procedure. It is just like receiving a telegram of directions. He examines it. Of course, he is supposed to have some political maturity, as Communists call it, and is able to discover what is the main point from the editorials and the like. He immediately calls in his staff, and from the Daily Worker's directions of that day, he advised them what they should do in the trade unions, in the cultural organizations, in whatever group they are assigned to cover, and to infiltrate.

That goes on every day. That is in my experience. I was out in Chicago for quite a time and saw that done every day in the Chicago district. I know that it is done in all other districts.

Mr. WALTER. You said something about the pressures from the Department of Justice interfering with the

Intercontinent News. What were those pressures?

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Mr. BUDENZ. Well, the pressure to label the Intercontinent News material propaganda, which was contained in the Act, political propaganda, and also the fact that the Department, by this demand for registration and the like, was looking more and more into the Intercontinent News. And, as I have stated to you, both Grace Granich and Earl Browder repeatedly said, and we all recognized that if there were ever a thorough investigation the lopsidedness of the financial standing of the business would certainly show it was a foreign agency, and therefore that would reflect on the Daily Worker. It would be seen to be purely a mechanical setup which was arranged in order to endeavor to evade the law.

(Representative Donald Jackson entered the hearing room at this point.)

Mr. KEARNEY. Following the thoughts of the gentleman from Pennsylvania, Mr. Walter, as I recollect your testimony this morning it was to the effect that not only to the Party but to the Daily Worker everything contained therein was directed from Moscow.

Mr. BUDENZ. That is correct. That is to say -- of course, when you come to American measures, they take the directives received from Moscow on the line, and then have to attempt to execute them in the American scene. Not

every Communist front is created by Moscow, but the chief ones are, just as I mentioned the American Slav Congress. But also recently we have seen this in the World Congress of the Intellectuals for Peace formed in Moscow. Everyone knew immediately that was going to be followed by these Intellectual Conferences on Peace all over the world. And we had the Waldorf Astoria Conference, and the Stockholm Peace Appeal. Things go on in that fashion.

When it comes to the problem of the directives given in regard to this or that specific union, well, that becomes a matter for the American Politburo in the execution of Moscow directives.

Mr. KEARNEY. Knowing what you do about the situation, and knowing just exactly how the Daily Worker runs as to its directives from Moscow as to the Party line, do you see any real reason or any reason at all for continuance of that newspaper in this country?

Mr. BUDENZ. I think the Daily Worker should be suppressed; not because it is a newspaper expressing an opinion, but because it is, as I said, a telegraph agency of directives to a conspiracy.

Mr. KEARNEY. In other words, it is an agent of a foreign government?

Mr. BUDENZ. It is more than that; it is an agent of a foreign government giving orders to do things -- not merely

11 to think things, but to do things. And that has been very convenient, because it has the coverage of freedom of the press.

I mean to say that is why it has been devised. If, for example, Moscow would wire or cable over here, "The American Communist Party must do so and so," although, if you examine some of the Communist literature, it amounts almost to that-- I mean it is that sharp -- but if that were the continuous process, and if in turn the Politburo here were to wire through the country orders, well, it would soon be known what sort of a business was afoot. But when it is concealed under a newspaper, which has a very restricted circulation, and with very few people who should be criticizing communists, then it becomes, of course, a means of covering up the actual character of what is being done.

The Daily Worker is not a newspaper in the normal sense of the word. How can it be? Its circulation was never more than 30,000 a day, perhaps 40,000. It has been as low as 8,000, and yet it goes on just the same as ever. The reason is, it is not a newspaper; it is a telegraph agency of instructions.

Mr. WALTER. How is its publication financed?

Mr. BUDENZ. Its publication is financed by drives, financial drives made by the Communist Party, largely raised in the vicinity of New York City, although the rest of the country makes some contribution to it. That covers the

deficits.

Mr. WALTER. Are there any large contributors?

Mr. BUDENZ. There are large contributors, but they are concealed. Now, in addition to that --

Mr. WALTER. Do you know who, Mr. Budenz?

Mr. BUDENZ. I couldn't give you a list today, but I could with a little recollection.

Mr. WALTER. I think it would be very helpful if you would furnish us, or furnish this committee with a list of the people who have made significant contributions to the maintenance of that propaganda sheet.

Mr. BUDENZ. Yes, sir, I would be glad to do that.

I would have to have a little time in a responsible manner to check my memory.

Mr. WALTER. Yes.

Mr. BUDENZ. I know that sometimes when we were in difficulties, urgent difficulties, we went to A. A. Heller to get \$10,000 or \$15,000 or \$20,000. Mr Heller was in the business of dealing with Russia. That is, he was an importer and exporter. We also --

Mr. WALTER. Where is he located?

Mr. BUDENZ. Well, he is located in New York City. We also went in emergencies to the International Workers Order. As a matter of fact, the various trade unions controlled by the Communist Party had made loans in cash.

The Daily Worker did one of the biggest cash businesses in the world. While the amounts were not so great, I don't want to give that conception, the fact that they were in cash was the consideration.

What happened was whenever it was necessary between these drives to get some money, money was borrowed in cash from the trade unions or the International Workers Order, or other groups like that, and then was returned in cash.

In order to provide for that, there was a special account called "William Browder Business Manager" while I was there. He had the right under the motion of the Board of Directors of the Daily Worker to cash these checks and pay them out in cash.

Now, however, I would like to add this one final thing on this question of finances, just in my present memory: that is, from time to time, however, in this New York drive, there is not any doubt that money came from the conspiratorial fund of the Party.

Mr. WALTER. Where was that sum deposited?

Mr. BUDENZ. That fund, I don't know where it was deposited, that fund was under the control of Robert William Weiner, aided by Lemual Upham Harris, and then a third person who varied in personnel, that is, Charles Krumbein was that man, but he is dead now. I don't know whether Weiner and Harris are now in control. This was while I was in

the Party.

Now, the reason that I know that is once in a while in these drives -- on one occasion in particular, I think it was around 1943 or 1944 -- we had great difficulty in getting hold of about fifty thousand dollars. Weiner had it and he didn't know how to get it over to us and distributed it sufficiently through the sections to make it look as though it were a section collection. For some time we were in the embarrassing position of needing money and not being able to get our hands on this money. Finally, an arrangement was made whereby it came through.

But the difficulty there was we did not want any big lump sum like that coming in. So it had to be distributed through the sections as though it were collections made by the sections.

Mr. WALTER. Did you have reasons to believe that those large sums were advanced by Russia to these individuals?

Mr. BUDENZ. I have no proof of it specifically, but I have reason to believe so, because on several occasions, and notably once, when we needed money for the Midwest Daily Record, which was a Communist controlled paper that I was editor of in Chicago for a while, I came in here with Maurice Childs to see Weiner about it. He said that it was very difficult to give us very much money at that moment. And then Childs said to him, "What about money from abroad?"

He said, "Well, we have been getting it, but our channels of communication in regard to money have broken down recently and have to be reestablished."

It was very clear they were discussing Moscow. That also occurred on one or two other occasions that I remember specifically. And I even remember the restaurant on University Place in New York where the conversation took place.

Mr. WALTER. I think these people whose names have been mentioned in connection with the providing of funds ought to be subpoenaed to testify in connection with this particular phase of our hearings.

Mr. VELDE. I would like to ask Mr. Budenz about the Lem Harris you mentioned.

Mr. BUDENZ. Yes.

Mr. VELDE. Would you identify him further for the committee? I think we had him before this committee.

Mr. TAVENNER. That is right.

Mr. BUDENZ. Lem Harris is some one whom I know rather well -- in fact, quite well. He is connected with a well-known family in New York, which is no reflection on the family. And, as a matter of fact, he told me that he gets a certain amount of allotment every month, maybe out of an estate, from his family, and that is the means by which he devotes his full energies to the Communist Party.

Mr. VELDE. You say he is a contributor or was a contri-

butor to the Daily Worker?

Mr. BUDENZ. No. I say he was the assistant to Weiner on the secret fund that I now call the conspiratorial fund, because that is what it was. That is a fund of money handed out in cash.

For example, suppose a comrade wished to go to Latin America on a false passport. That cannot be entered on the records of the Communist Party. He was given cash for the trip. This also applied, incidentally, to extra help for Communists. That is, if a Communist needed a vacation, a leading Communist needed a vacation, well, he got cash from Weiner, or for those emergencies.

In addition to that, the fund was used for many other purposes. But it must be understood that Weiner -- though I understand he is somewhat ill now -- that Weiner at the time I was there was in complete control of all finances of the Communist Party. The Daily Worker finances, the International Publisher finances, every bit of the finances of the Communist Party, including those of the Communist Party itself were under the control of Weiner and this committee.

The chief acting member of that committee was Lem U. Harris. And I have discussed with him many times the work he was doing, although, of course, it was confidential work.

Mr. VELDE. Would it not be fair to assume, if he was on this committee, that he probably did contribute some of his own

money, or money that he got from his estate or relatives?

Mr. BUDENZ. That would be very possible. I might state this, though, if I might, to show the extent of this financial control, centralized financial control: that also Harris was engaged in aiding the financing of the Joint Anti-Fascist Refugee Committee. That whole financing was subject to Weiner's and Harris' scrutiny, and Harris was engaged in assisting in bringing to this country a number of leading Communists, including Gerhart Eisler. In other words, the work of this financial committee was very extensive.

Mr. VELDE. Your mentioning Gerhart Eisler brings to my mind the name of Louise Bransten. Do you happen to know her?

Mr. BUDENZ. Yes, sir.

Mr. VELDE. Do you know whether she has contributed any money to the New York Conspiratorial Fund, as you called it?

Mr. BUDENZ. Yes, sir, she has.

Mr. VELDE. I know that in 1943 or 1944 she was quite a heavy contributor to the People's World out on the West Coast.

Mr. BUDENZ. She has contributed to Weiner's fund. I know.

Mr. TAVENNER. I might say, Mr. Chairman, that Mr. Harris refused to answer questions relating to his own contributions to various front organizations, and to the

Communist Party on the ground that to do so might tend to incriminate him when he appeared before this committee.

With reference to this question of contributions, Mr. Budenz, testimony only recently introduced in our investigation of Communism in Hollywood showed the contribution of tremendous sums of money to the Communist Party.

Do you have any knowledge of participation by the Daily Worker in the contributions made from that source?

Mr. BUDENZ. Yes, in this way: originally these funds were handled very haphazardly. I mean to say, a great deal of them went to the California district. But finally, -- I can not place the year right now, but it was in the latter '30's or early '40's -- V. J. Jerome made a trip out to Hollywood for the Cultural Commission and the Political Bureau of the Communist Party, and there he placed in a more orderly fashion this whole business of financing.

It was then organized so that the finances went into New York first and then were distributed to the party through the country. These finances in Hollywood reached a very high figure. You understand that every Communist is supposed to give ten per cent of his income to the Party. That varied, from time to time, but that was the general idea.

Mr. KEARNEY. Pardon me for interrupting, but does that go down even to the working man, or the laborer member of the party?

Mr. BUDENZ. Well, I was about to state there were variations from time to time. For example, housewives of the working class had to pay ten cents a month.

Mr. KEARNEY. The reason I asked that was --

Mr. BUDENZ. There were other variations from time to time, a dollar a month, those were changed from time to time. But the big source of funds for the Party did not come from these people.

Mr. KEARNEY. The reason I asked you that question is we have had testimony here, I believe, of somebody who said that they paid twenty-five cents a month.

Mr. BUDENZ. That is possible, it could have been. But when it gets to people earning, let us say, \$50 and \$60 a week and up or certainly, we will say, \$100 a week, the expectation was 10 per cent of their income.

I have sat in committees, on the State Committee of New York, where these assessments were levied, and the approximate income of the individual was examined.

Mr. DOYLE. You mentioned that the Hollywood sum was very substantial. Do you now recall whether you ever saw any figure that represented the total contributions during a given period from Hollywood?

Mr. BUDENZ. No, sir. There are no genuine financial figures ever given by the Communist Party. The only way you get to know that, even as a leading official of the Party, is

by discussions in the Politburo. Never was the National committee ever given a true financial picture of the Communist Party. I haven't time to go into that in detail now without more information at my disposal than I could bring out of my memory, but the fact of the matter is that the reports of the National Committee were not true pictures of the financial condition of the Communist Party.

First of all, this whole fund that Weiner controlled was not at all visible. And then many other sources of income were not visible. That was the reason why the Politburo had this highly centralized financial control in the hands of Weiner and his committee. Which I say was composed of Lem Harris and Charles Krumbein while I was in the Communist Party, the latter part of the time that I was in the Communist Party.

Mr. DOYLE. Would you say that generally speaking the financial condition of the Party was good? I mean, was it a strong financial position or were they poor part of the time?

Mr. BUDENZ. I should say both. They were rich compared to the number of members they had, and also able to draw on resources more than would be expected. They were poor in the sense that they did, in many instances, maintain functionaries at, I should say, a reasonable remuneration, to say the least.

But this was partly false also, because it was accompanied by additional gifts from the Weiner fund and by other remuneration.

ative efforts. Therefore, the Party always have had enough money to get defense funds, to carry on its work, and at the same time, it keeps the appearance of poverty, enough so that it can constantly make appeals. This is true, as I learned from discussions with Weiner, that Moscow insists that its Fifth Columns stay on a semi-self-supporting basis. They don't want any one taking advantage of the fact that there is some money coming in here. They don't want that to become a disease, in other words. Consequently, they stimulate the Communist Parties everywhere to raise their own funds as much as possible.

Mr. DOYLE. I take it, then, that the Weiner fund was not banked, that is, it was handled in cash. They did not issue checks against it or have any bank record of it, as far as you know?

Mr. BUDENZ. Not to my knowledge. Of course, there were special funds. Weiner did have a large bank account at one time, and so did William Browder, but I don't think that this comprised the Weiner fund.

Mr. TAVENNER. Golos also had an account, did he not?

Mr. BUDENZ. Yes, Golos had a special account. He had a special account, and of course that is where I spoke about the other sources, which are quite numerous, more or less.

Let us take people working for the Soviet Secret Police here, the MVD. I have seen the MVD hand out \$300, \$500, to

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agents, not so much for remuneration, as to get them properly clothed, or to get them certain expenses for trips, which would have to be taken in connection with the work.

But there are many sources of private -- if I may use that word, private, in connection with the Communist Party -- private money transfers that take place within the Communist Party.

Mr. TAVENNER. Mr. Budenz, you have described very graphically the part that is played by News services and by Communist organs, in publicity in promoting and disseminating the Communist directives. It was partly our interest in that subject which led to our investigation in China of the Voice of China, the magazine headed by Max Granich and Grace Granich.

The testimony has shown here that the possibility of successful financial operation of that publication was almost out of the question, that they were disseminating that paper through many areas, the South Sea Islands, remote sections -- not remote sections, but distant sections of China -- even as far as Hong Kong and Canton, and they were sending that publication to areas in the United States where young Chinese students would be able to read these papers.

You have told us that Grace Granich, prior to leaving on her trip abroad, told you that she was going on a mission for the Communist Party. Can you tell the committee what the

possibilities are in the handling of a magazine such as the Voice of China was, in carrying out this same general plan with regard to dissemination of Communist information and directives?

Mr. BUDENZ. Well, the Voice of China was clearly a publication to gather together in the English speaking colony of China, and among the English speaking people of China, friends for the Communist cause. It was to perform a function somewhat like the Amerasia magazine established here later on. And then, as far as possible, likewise, to give directives to the English speaking Communists in China. In other words, it was a Communist publication for the purpose of throwing around the English speaking Communists in China as much strength and influence and thereby, of course, play a part in the Chinese scene, in so far as was possible, and also, of course, in the international scene in so far as that was possible.

Mr. WALTER. It was just propaganda, that is all?

Mr. BUDENZ. Propaganda, and in a few cases, there were directives in it. Its effort was, of course, to draw also certain non-Communists toward the Communists in China, English non-Communists, or English speaking non-Communists.

Mr. JACKSON. Was any liaison maintained, to the best of your knowledge, between the Voice of China and any publications, the Worker, or any publication in this country?

(Representative Bernard W. Kearney left the hearing room at this point.)

Mr. BUDENZ. That, I don't know.

Mr. VELDE. Mr. Budenz, what is the source of your information in calling the Voice of China a Communist propaganda organ?

Mr. BUDENZ. First of all, the fact that Grace Granich stated she was leaving for abroad on a mission for the Communist Party; and, second, reference is made to Granich himself, upon his return to the Politburo, of the services performed to the Communist cause in China through the Voice of China.

Mr. VELDE. Where did those conversations and references take place?

Mr. BUDENZ. They took place in the headquarters of the Communist Party in New York, at the Politburo meetings around 1940 or 1941 in regard to the assignment of work of Max Granich, who was considered to be a very valuable man in certain operations.

In that connection, it was definitely stated that he had performed a service for the Communist cause in China with the publication.

Mr. VELDE. Do you remember by whom it was stated?

Mr. BUDENZ. By Earl Browder, for one, and Earl Browder generally was the man who made the report on questions

connected with China. And by Jack Statchel, and several others.

Mr. VELDE. I want to call another name to your attention, Isaac Volkoff, Pop Volkoff. Do you happen to know him?

Mr. BUDENZ. Who is this?

Mr. VELDE. Isaac Volkoff. They all call him Pop Volkoff. He had a similar position to Mr. Weiner out on the West Coast, handling the funds for the Party.

Mr. BUDENZ. Offhand, I do not recognize him, no.

I might by some thought on the matter. Just for the moment, I don't.

Mr. TAVENNER. Do you recall that the Attorney General's Office finally required Grace Granich to label the material which she was bringing into the country through her foreign principal as propaganda?

Mr. BUDENZ. That is what was the straw that broke the camel's back. That is what she couldn't do. They did insist upon that.

Mr. TAVENNER. After insisting upon that, do you know whether or not Grace Granich discontinued the service?

Mr. BUDENZ. She discontinued it, yes, sir.

Mr. TAVENNER. I desire to offer in evidence a letter, or a copy of a letter, written by Grace Granich to the Attorney General bearing the date of June 23, 1944, and ask

that that be marked Budenz Exhibit No. 9.

Mr. DOYLE. That may be filed.

(The letter above referred to, marked "Budenz Exhibit No. 9," is filed herewith.)

Mr. TAVENNER. I will read it. However, before reading that letter, I desire to introduce in evidence another letter from the Attorney General's Office to Miss Grace Granich bearing date of December 12, 1942, and ask that be marked Exhibit No. 10.

Mr. DOYLE. That will be so marked and filed.

Mr. TAVENNER. I will read Budenz Exhibit No. 10 first.

This is a letter from Mr. Lawrence M. C. Smith, Chief Special War Policies Unit, War Division, to Miss Grace Granich, InterContinent News:

"Dear Miss Granich:

"This is to supplement my letter of November 28, 1942. Inasmuch as you were subject to registration under the Act on the effective date thereof, namely, June 28, 1942, I believe it would be appropriate if you would submit, in so far as possible, copies of all the bulletins issued from June 28, 1942 to October 1, so that our files in this matter will be complete. You will recall that you sent us copies of each of the bulletins issued during the month of October, and since that time you have been sending us the daily bulletins regularly. I assume you

No. 10," is filed herewith.)

Mr. TAVENNER. What action, if any, was taken by the Communist Party with regard to the sending of that notice of termination? I mean by that, was it the result, as stated in that letter, of the principal ceasing to do business, or was it because of the difficulties that the Intercontinent News had in complying with the registration provisions as enforced by the Department of Justice?

Mr. BUDENZ. It was the latter.

The Intercontinent News was the subject of many discussions in the Politburo and, as I said before, also unofficial discussions. And it was agreed that it would be impossible to continue it under the conditions laid down by the Department of Justice.

This was not only in regard to the demand that it be labeled propaganda, but in addition to that, that if beyond that the Department of Justice would begin to examine its financial structure, it could not stand up. Therefore, it was decided that it would be discontinued.

I had quite a conference with Grace Granich as this decision was taken, in addition to the other conferences, and we explored whether this action, which had already been decided upon, could have been anything else, and we agreed that it could not have been.

It was then that she repeated Browder's phrase that this,

after all, had been a delaying action, to some degree, and that we would have to look around rapidly for other sources of receiving the material.

Mr. TAVENNER. And you have already described those other sources in your answer to questions by members of the committee?

Mr. BUDENZ. That is correct.

Mr. TAVENNER. Did you have any other contact with Max Granich or Grace Granich which you have not told the committee?

Mr. BUDENZ. Well, I have had other contacts with them, but they don't come readily to my mind. They weren't of such sharp importance that I would recall them offhand.

These are the important relationships that I had.

I have met Max Granich, for example, more than I have stated here, but I don't recall all the circumstances connected with it. He was a brother of Mike Gould and was up at the Daily Worker every once in a while, not only for the purpose of business, but also to see his brother occasionally. Therefore, I have met him quite frequently, more than would be indicated by this testimony.

However, nothing standing out as of particular striking importance.

Mr. TAVENNER. I have no further questions, Mr. Chairman.

Mr. DOYLE. Mr. Walter?

Mr. WALTER. No questions.

Mr. DOYLE. Mr. Jackson?

Mr. JACKSON. I have several questions, Mr. Chairman.

If I may depart from this particular phase of the inquiry, I have some corollary questions which deal with another aspect of the committee hearings, and not knowing when we will have the pleasure of having Mr. Budenz here, I would like to ask him at this time.

During the course of the hearings in the Senate Subcommittee on Internal Security, dealing with the Institute of Pacific Relations, I believe you were a witness?

Mr. BUDENZ. Yes, sir.

Mr. JACKSON. I would like to direct your attention to page 582 of the published hearings, or the testimony on those hearings when the matter of Colonel Evans F. Carlson's book, "The Big Yankee" was under discussion. There was one quotation given from that book, and you were asked as to whether or not, in your opinion, this quotation represented Communist propaganda, and your answer to that, as quoted in the record was:

"Yes, I also would recognize the author of General Carlson's Biography as a Communist -- Michael Blankfort. He is well known to myself as a Communist. He had many consultations with me as such."

Inasmuch as his name has occurred a number of times

during the course of the Committee's hearings in the Hollywood matter, I should like to ask several questions on that particular individual.

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When did you first meet Mr. Michael Blankfort?

Mr. BUDENZ. In 1935 at the Daily Worker.

. JACKSON. Do you recall the occasion of the meeting, or what brought it about, or in what connection you met him?

Mr. BUDENZ. Yes. He was then writing for the Daily Worker. That is, I wouldn't say he was a regular member of the staff, although in a way he was. He wrote reviews, and other articles, for the Daily Worker.

Mr. JACKSON. Over how long a period of time did your association with Mr. Michael Blankfort continue?

Mr. BUDENZ. Well, it continued, I can not tell you the exact year at the moment, but until he went out to Hollywood.

In the first place, when he came to me and had a three hour conference with me in regard to how to penetrate the ranks of the Catholics on the West Coast, he told me he had received instructions from the Politburo to endeavor to look into that while he was on the West Coast. He was driving through, by the way, and came to see me before he left.

Mr. JACKSON. You say efforts to penetrate the Catholics. Do you mean on behalf of and for the Communist Party?

Mr. BUDENZ. That is correct.

Mr. JACKSON. Did you know Mr. Michael Blankfort -- and I

say Michael Blankfort because there is also a Henry Blankfort who testified or refused to testify before the committee during the course of the Hollywood hearings -- did you know Mr. Michael Blankfort to be a member of the Communist Party?

Mr. BUDENZ. Yes, sir. He came to me as such.

Mr. JACKSON. And these consultations that you had with Mr. Blankfort took place in the offices of the Daily Worker?

Mr. BUDENZ. Yes, sir.

Mr. JACKSON. Did you ever see Mr. Michael Blankfort in a Communist Party meeting or Communist Party function where those present would have to be presumed to be Communist?

Mr. BUDENZ. Oh, yes. I have seen him not in a branch meeting or anything of that sort, but I have seen him in the Daily Worker.

Mr. JACKSON. Was Mr. Michael Blankfort an open member of the Party, or was he a concealed member?

Mr. BUDENZ. Well, I should say he was a concealed member, although he did not conceal it very much while he was around the Party.

Mr. JACKSON. He did not conceal it to you?

Mr. BUDENZ. No, he did not.

Mr. JACKSON. What was Mr. Michael Blankfort's profession, do you know?

Mr. BUDENZ. Well, he was a writer. He wrote for the Daily Worker at that time, and was going to Hollywood also to

get in some writing.

Mr. JACKSON. When did you last see Mr. Blankfort?

Mr. BUDENZ. That is the last time I saw him, when he went out to Hollywood.

Mr. JACKSON. Do you know where he was going in Hollywood, or what employment he was going to undertake in Hollywood?

Mr. BUDENZ. He discussed it with me at that time, but I do not recall for the moment.

Mr. JACKSON. Was it connected with the moving picture industry?

Mr. BUDENZ. Yes, sir, in my remembrance it was.

Mr. JACKSON. Do you have any subsequent information as to Michael Blankfort's activities?

Mr. BUDENZ. Not from him as such. That is, I haven't met him personally as such since he went to the West Coast.

But I have had unofficial, or, rather official references to him as a Communist in connection with the Hollywood scene on several occasions.

Mr. JACKSON. Were his activities the subsequent subject of discussion among Communists on the Daily Worker, or was there any mention made of the work he was doing?

Mr. BUDENZ. It was made in regard to Cultural Commission meetings, and also once or twice in the Political Bureau.

Mr. JACKSON. Do you know where Mr. Blankfort is pre-

sently employed, Mr. Budenz?

Mr. BUDENZ. I do not, no.

Mr. JACKSON. I have no further questions, Mr. Chairman.

Mr. DOYLE. Mr. Budenz, I presume you are acquainted with the Institute of Pacific Relations on the West Coast, are you?

Mr. BUDENZ. The Institute of Pacific Relations on the West Coast?

Mr. DOYLE. Yes.

Mr. BUDENZ. Do you mean its branch out there?

Mr. DOYLE. Yes.

Mr. BUDENZ. I know of it, yes.

Mr. DOYLE. And do you know of any of the writers for that organization who are not Communists?

I will put the question the other way.

Mr. BUDENZ. Well, I would have to check up on that, Mr. Chairman. I know Mr. Benjamin Kizer, but not personally, and know that he was several times mentioned as a Communist.

Mr. DOYLE. Do you know of any others that are?

Mr. BUDENZ. Not offhand, although I would have to check on that, because I am not certain at the moment, since I haven't the list before me, and haven't been thinking about the question.

Mr. DOYLE. Could you check on that and give our counsel the answer to the question as best you may?

Mr. BUDENZ. Oh, yes. I will be glad to oblige.

Mr. TAVENNER. Will you spell Benjamin Kizer?

Mr. BUDENZ. K-i-z-e-r. He is a well known and I think a rather distinguished lawyer in the State of Washington.

Mr. DOYLE. I know you are probably familiar, Mr. Budenz, with our public law 601 under which this mittee operates, and our assignment by Congress as to what we shall look into.

For instance, I refer you to the section of the statute under which we operate which charges us with investigating subversive conduct, the extent and character and objects of un-American propaganda in the United States, whether it originates in the United States or from outside, and then we are also charged with looking into any questions that would enable us to recommend to the United States Congress remedial legislation.

Now, it is in that particular field that I hope you can help us by giving any recommendations or suggestions you have as to what you in mind, if anything, with reference to remedial legislation.

You have testified now at length here. You have been very helpful as to the conditions that you have personal knowledge of.

You know what the present law is. Have you any suggestions to us as a committee of the Congress in the field of legislation?

Mr. BUDENZ. It would be presumptuous on my part to try to draw up a legislative program. But I do think consideration should be given to whether the present Foreign Agents Act is adequate to cover the situation.

I am not passing judgment on it, but it does seem to me that the method to outlaw the Communist Party to get rid of its chief dangerous activity is by branding it thoroughly and legally as a foreign agent, which it is.

This stands out in so many different phases of the Communist Party, that it is quite obvious. That is one thing I would like to leave for your consideration.

Now, as to the details of that, I am not prepared to make any recommendation today.

Mr. DOYLE. Are you prepared to make a recommendation as to any portion of any important details that you may have in mind?

Mr. BUDENZ. No, I have not. I didn't have that on my mind today. And I do think, however, that the quicker that we can find some means through the Foreign Agents Act to deal with the Communist Party so as to outlaw it and the Daily Worker as foreign agents, that that is a very important measure for the present moment.

It would also have another effect, it would clearly make it evident that it is the Communists -- or the objective of their efforts is a Communist conspiracy, so that they cannot

confuse the issue as they constantly do, by saying that every move against the Communist Party is going to injure all Americans. It has not, as a matter of fact, but that is a good deal of their contention.

Mr. DOYLE. Why do you call it a Communist conspiracy?

Do they not deal in the open and aboveboard, or do they really conceal their activities?

The reason I ask you the question in that form is a witness before this committee just within the last few days said that he would not call it a conspiracy because they dealt in the open. They were not ashamed of what they are doing, nor were they trying to hide what they were doing.

Your testimony today is just completely the reverse.

Mr. BUDENZ. Well, of course, that would take some time to go into in detail. But the Communist conspiracy is a conspiracy. The Communist Party is not in the open. It is in the open in the sense that it is endeavoring to function legally in order that its subterranean activities may be strong.

I think J. Peters indicated this very well when he said to me, "Do you know the Communist Party?"

I said, "Yes, I think I do."

He said, "No, you don't."

That is when I first joined the Party.

He said, "You know that part of the Party which appears

above the surface. The Communist Party is like a submerged submarine. The periscope is the open party looking around, and the submerged part is 95 per cent of the party which is underground," and that is true.

Let us take all of the Communist front members mentioned in this committee's very fine report of April 1, 1951. Well, a great number of them are Communists. The fact that they have been members of fifty, sixty, and eighty Communist fronts is an indication of their loyalties, without charging them with being such specifically, and yet these people will even get on the witness stand, or in any other place, and deny their Communist allegiance.

The Communist Party is exclusively an espionage and infiltration agency to destroy the United States Government.

For example, we do know now, and this committee is conscious of it, of the considerable amount of espionage carried on, and that is certainly a great service to expose that. And the infiltration, in many ways, is even more deadly, because it is a means of penetrating the sources of opinion, and the like, which influence others, and all of this is done by way of concealment.

Mr. DOYLE. How would the Communist conspiracy undertake to destroy the United States Government, as you just said? What do you mean by that phrase? How would the Communist conspiracy undertake to destroy the United States Government?

Mr. BUDENZ. 'It is attempting to do it right now with these Communist peace crusades, as this committee has said, to disarm and defeat America. That is the immediate purpose of these various peace crusades. And then, of course, by having people, whenever possible, infiltrate into Government, and infiltrate into other agencies and affect American actions and public opinion.

Beyond that, then, of course, we have the existence of the Soviet Union today, which the Communists declare to be the citadel of peace, but which certainly is engaged in aggression.

Its policy clearly is to carry this periphery warfare under Stalin's dictum.

In our day, wars are not declared, they are made.

And in 1945 I stated, when I left the Communist Party, that there was about to be across the world a creeping Blitzkrieg, as I called it, designed to conquer the continents of Asia and Europe and hurl them into the United States. And that is Stalin's design. The Cominform itself, in its organ, hailed Stalin as a leader and teacher of the working people of the world, and constantly has kept alive that idea of a world octopus. In order to do that by infiltration on the one hand, espionage accompanying it, and on the other hand the outward pressure of this periphery warfare, the effort is to destroy the United States to bring about the

Soviet dictatorship to which all Communists are committed.

Mr. DOYLE. Is the objective and determination of the Communist Party directed from Moscow to arrive at the point, if needs be, of using forced arms and ammunition in revolution?

Mr. BUDENZ. Yes. They have set that all down in the program of the Communist International adopted at the Sixth World Congress in 1948, and reaffirmed at the Seventh World Congress in 1949. And then, of course, it is the basic conception of the Communists as set down by Lenin in State and Revolution, that all non-Soviet states shall be smashed by violence -- I mean their government -- and Stalin has repeated this in The Foundations of Leninism, that all non-Soviet states shall be smashed by violence.

In order that there be some understanding on that, both of them asked the question: Does this apply to the United States and Great Britain? And they replied in the affirmative, that it does apply to the United States.

Mr. DOYLE. Was that in print, their reply?

Mr. BUDENZ. That is in State and Revolution by V. I. Lenin, and The Foundations of Leninism by Joseph V. Stalin. Both of these have been published by the Communist Party in hundreds of thousands of copies.

That is, particularly, they have been issued in popular form in the Little Lenin Library edition which is still possible to obtain.

Mr. DOYLE. Thank you. Do you have any other questions, Mr. Walter?

Mr. WALTER. No.

Mr. DOYLE. Mr. Jackson?

Mr. JACKSON. Just one more brief question.

You said, Mr. Budenz, that five per cent of the party was above ground like the periscope of a submarine, and 95 per cent is underground. Would it be true to say that if 95 per cent is underground that probably the Party is so well compartmented that 90 per cent of those who are underground still know nothing about what the 5 per cent who are actually doing the ground work and the active espionage work --

Mr. BUDENZ. Oh, no. Excuse me. May I interrupt you?

Mr. JACKSON. Yes, of course.

Mr. BUDENZ. These people that are underground are really activists in many ways. I mean, you have two undergrounds. One is the underground of the Communist agents, illegal aliens, Gerhart Eisler, J. Peters, and others, and who are the real channels that communicate with Moscow and the real rulers of the Party.

And Alexander Bittelman, who is the chief theoretician of the Party, a Soviet subject, and who never has become a citizen.

Then you have the other underground, if I may call it such, those men and women who pose as non-communists but who

are actually Communists. A man like Harry Bridges, for example, we could mention today very definitely, whom I knew as a member of the National Committee of the Communist Party. He posed for many years as a non-Communist rather successfully.

Those two are very active groups. The open Party is necessary in order to keep these groups in touch with each other, and in order to give the appearance of an open political legal party to the whole operation.

Mr. JACKSON. The point that I made is: How many of this estimated 95 per cent underground, how many within that 95 per cent, knew for instance that Alger Hiss was a courier?

Mr. BUDENZ. Oh, well, I should say very few knew it within the open party or the underground.

Mr. JACKSON. That was the point I made, as to the mere fact of being in the underground, there is still a select channel, is there not, that is unknown to even most of the people in the underground? How many of the underground, for instance, the 95 per cent are in the Communist Party in the United States? What is the figure today? How many?

Mr. BUDENZ. We can not go by those figures. Those figures are those given out by the Party at national conventions, and they also tend to play down their numbers.

But we will say 55,000 to 70,000. But around them are gathered, I should say, several hundred thousand communists under discipline who are members of the Party just the same as I was.

Mr. WALTER. And many of these people do not realize that they are aiding and abetting in the forwarding of this conspiracy, do they?

Mr. BUDENZ. They couldn't realize the full vividness of it, although they do have warning and notice, because the Communist instruction down in the branches, is along the lines of Marxism and Leninism. That is, along the lines of such works as I have talked to you about, which give the Communist a grounding in what his purpose is.

Mr. WALTER. No, Mr. Budenz, you did not understand me. I probably did not make myself clear. But you talked about this large number of people who were members of numerous Communist front organizations.

Mr. BUDENZ. Yes.

Mr. WALTER. Many of those people do not realize that they are aiding and abetting in the furtherance of this conspiracy because they believe that they are doing something in furtherance of the betterment of their fellow man and are dupes. So that that would increase that 200,000 immeasurably.

Mr. BUDENZ. Yes. There are quite a few that are dupes.

Also there are quite a few consciously aware. After all, these are intelligent people. That is, they have obtained positions in universities and scientific positions, and are intelligent people. And they certainly are aware today that there is some foundation for some of the disclosures that have been made.

Mr. WALTER. But the point I am trying to make is just this; Mr. Jackson and I have talked about this. While the number looks small, 50,000 to 70,000, nevertheless there are literally hundreds of thousands of people who are so closely connected with the conspiracy that to all intents and purposes they are aiding and abetting in the furtherance of the conspiracy.

Mr. BUDENZ. Well, this can be said: I think that is roughly correct, but this can be said: that the Communist measures his strength not in his own numbers. They don't want large numbers, because they are the vanguard of the masses. That is their phrase for themselves all the time. They want disciplined members who will penetrate key positions. So that one Communist -- so often we were reminded of this -- must be able to move thousands of non-Communists into action. An excellent example of this is the United Electrical Radio and Machine Workers Union, where you have a leadership which is overwhelmingly Communist, and a rank and file which is overwhelmingly non-Communist. Yet

they have moved them into action in the resolutions at their conventions in accord with the line of the Party.

Now, that is the Communist technique of penetrating into leading positions and then moving thousands, literally thousands of non-Communists who have no idea of forwarding the Communist Party line, but who are doing it in the name of other things.

This is just as Lenin brought forward the cry "Bread and Peace!" and "Land to the Peasants!" and gave them something which took their land away.

So these immediate cries of "Peace, everybody wants peace!" and these pacts of peace, that naturally moves a great number of people who have not analyzed it, and do not see that in the pacts of peace they are smuggling in recognition of Red China and many other things directly opposed to the interests of the United States. That is the common method of procedure.

The Communist, where he is, forms a cell around him, and then moves thousands of others by the argument of a line, not of communism, but the argument of the line into that position which will help the line go forward.

Mr. JACKSON. I am afraid that I would still like to go back to this other question. I am afraid I did not make my other point quite clear.

The testimony of -- who was the woman who was

Treasurer of the District -- Mary Stalkup Markward painted a very vivid picture, for me at least, of the compartmentation of the Party, to the extent that the average member of the Communist Party, we will say, in District 4, the District of Columbia and Maryland, even though underground, still had no knowledge of this elite corps which was operating the courier service.

Mr. BUDENZ. Oh, they had no knowledge of what they are called.

Mr. JACKSON. That is the point I wanted to make. Although 95 per cent of the Party may be underground, there are activities of one or two per cent which will never be known in the normal course of events to that membership of the Communist Party.

Mr. BUDENZ. Right. They wouldn't discuss this thing openly.

Mr. JACKSON. That is the point.

Mr. BUDENZ. As a matter of fact, I sat in branch meetings where someone I believed to be a courier was sitting and everybody else in the branch were noncouriers though that courier was sitting there the same as another branch member, although engaged in courier work. Frequently, the directors or couriers were drawn out of the Party completely.

It is true that -- I won't give percentages -- but a considerable section of the Communist Party membership is

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not aware of the details of this work. However, this must be said: that they are all given this Communist literature, and of course it is phrased in the Marxist-Leninist language, and therefore presented what they call a scientific basis, and what you might call the philosophy that the victory of socialism is inevitable, and that the Soviet Union is presented in its brightest colors, necessarily. That offsets a great deal of this, but at the same time the normal Communist is instructed in two things: one, into some knowledge of the Marxist-Leninist classics as to what the objective of the Party is, and, two, in the necessity of -- while it is not put in that form, that is what it amounts to -- following orders under the discipline of the Party.

Mr. JACKSON. In other words, they know what is being done, they approve of it, without necessarily being a party to it?

Mr. BUDENZ. That is right. In fact, the whole secret of its success lies in that fact.

Mr. DOYLE. Do you have anything else, Mr. Counsel?

Mr. TAVENNER. No, sir.

Mr. WALTER. May I ask one more question: Do you know Marcel Scherer?

Mr. BUDENZ. I know him quite well, yes. He is, if I may go into family affairs, a brother in law of Howard Boldt, who was one of my fellow officers on the Daily Worker. I

have known Marcel Scherer before that. That is when I first came into the Party, I met Marcel Scherer. I know his wife also.

Mr. WALTER. Is Marcel Scherer a Communist?

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Mr. BUDENZ. Very decidedly.

Mr. WALTER. How could a man like that find his way into a country community in the United States where he would be negotiating a contract for the United Electrical Workers Union?

Mr. BUDENZ. Well, that is because of this misapprehension of so many people of how a Communist looks, acts, and does. That is, they do not expect a person like Scherer who is alert and presentable to be able to be a Communist. And he, of course, will disguise any Communist traces except when the time comes to present some phase of the line, if he gets his voice heard.

Mr. WALTER. In order to find himself in that position, it would indicate that there would be somebody in that labor group who perhaps was a Communist?

Mr. BUDENZ. Oh, undoubtedly, he was drawn in there because of that.

People in the Communist cells always call for a leading Communist to come to their help, someone who is secretly a communist in that group.

Mr. WALTER. Then to all intents and purposes, in

the furtherance of this Communist conspiracy, all of the people in that labor group who were willing to permit that man to lead them would be unwitting tools, would they not?

Mr. BUDENZ. That is right.

That is one of the successes of the Communists, and one of the reasons they keep coming back and coming back after exposure.

Of course, accompanying that, you understand, is a tremendous campaign on their part of vilification of their opponents, of distortion of the issues, of charges of red-baiting, of such a kicking up of the dust that many people who can not think the thing through are deceived, and when they see a man like Scherer who is quick on his feet and an able man, he impresses them, and naturally he obtains some success among them.

Mr. WALTER. Mr. Budenz, I have heard it said that there are certain companies who prefer to have the UE as the bargaining agent, because it is in such bad repute that it would not make the demand that would be made by another organization that perhaps was in better graces. Do you think there is anything to that?

Mr. BUDENZ. I think there probably is something to that in some quarters. We must understand that when the Communists want to, they can give terms to the manufacturers that are company union terms. And I could, if we had time

here, cite some instances. Though that is a very dangerous thing for the manufacturers because when the time comes when they will have to follow the Party line in another direction, they will follow it with the same zeal and zest that they can in this other method.

The situation in the electrical industry, gentlemen, in my opinion, is one of the most dangerous in the country. And it is too late now to revoke that, but it is a serious situation. Not because the United Electrical Radio and Machine Workers Union is over the whole industry any more, but because it is, after all, the expose' and expulsion from the CIO and everything else, in a position where it still retains such a hold in such key positions that it does. It has gained some elections in the last year.

Mr. WAITER. What would you advise us to do to make these well meaning, fine, patriotic American workers aware of what they are doing when they permit the United Electrical Workers Union to be selected as their bargaining agents?

Mr. BUDENZ. Well, you have the same situation not only among the workers but you have it in part in the educational field, too. I mean, I am not trying to belabor any of these different fields, but it exists.

The thing is that the only thing I can see is for this committee to continue in its work of bringing forward

the facts, having them widely disseminated, and leaving it to the good sense of the American people to understand what this is all about.

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Mr. WALTER. If we would criticize you educators because you were so critical of our system, then perhaps we will be criticized, as we were when we attempted to look into some of the publications that are being used in schools. I have often been disturbed at the lectures that certain college professors give, all of which point to the imperfections in our system, and all of which have a very decided socialistic slant. And I think that you educators ought to put your house in order.

Mr. BUDENZ. I am only one, of course.

Mr. WALTER. Yes, of course.

Mr. BUDENZ. And I think you appreciate, Mr. Walter, that some of the few times that I have appeared under subpoena I have been rather soundly belabored for such service that I have sought to give the Government. I have given that under subpoena, too, by the way. So that the limitations of one who has been a Communist, exists. And to hurl the name "ex-Communist" at one has got to be sort of a fashionable undertaking on the part of certain people, which has been very beneficial to the Communists, because it is only the ex-Communists who are endeavoring to make some amends for what they did who get this belabor-

ing. And those who like Earl Browder sneak over in the corner and don't serve the United States, they are treated with kid gloves. Therefore, there are limitations to what a person can do.

Mr. JACKSON. I should like to say for one, Mr. Budenz, that I think that the sum total of the knowledge that the American people of today have of the menace of the Communist conspiracy, is due in large part to you, and a considerable amount of credit is due to you and the testimony you have given before the several committees of the Congress. That stands to your lasting credit, and certainly merits the thanks of the entire populace of this country.

Mr. BUDENZ. I appreciate that.

Mr. WALTER. That is a great understatement, Mr. Jackson.

Mr. JACKSON. I am limited in my ability to say that.

Mr. BUDENZ. I appreciate that. Because I assure you every time I go on the witness stand it is not with any exhilaration, even to a hearing of this sort.

I feel meticulously under tension to state exactly things as I know them. And in addition to that, of course, it becomes rather tiresome to go from place to place and constantly testify.

At anyrate, I do believe that this committee has performed a very valuable task in regard to this report

of April 1st, for example, 1951, which has been widely used through the country. And that is a source of information to the people that I think is beginning to register. It is going to have some effect, that report on the peace crusade.

That is just thrown out for whatever value it has.

Mr. DOYLE. If there is nothing further, the committee will stand in recess until 10:30 tomorrow morning.

Thank you, Mr. Budenz.

(Whereupon, at 4:45 p.m., the committee was recessed, to be reconvened at 10:30 a. m., Wednesday, January 16, 1952.)

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FEB 26 1953

FEBRUARY 26, 1951

SAC, NEW YORK - DEFERRED

GREGORY, ESPIONAGE - R. REBULET FEBRUARY THIRTEEN LAST,
REQUESTING IMMEDIATE SUBMISSION OF COMMENTS OF MR. DONEGAN
AND YOUR OFFICE RE DISPOSITION OF TWO THOUSAND DOLLARS IN
INSTANT CASE. NO REPLY RECEIVED AT BUREAU. HANDLE IMMEDI-
ATELY AND ADVISE WHEN ANSWER WILL BE SUBMITTED.

65-56402

HOOVER

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COMMUNICATIONS SECTION

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U.S. DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION

FEB 27 1951

TELETYPE

Mr. Tolson	_____
Mr. Ladd	_____
Mr. Clegg	_____
Mr. Glavin	_____
Mr. Nichols	_____
Mr. Rosen	_____
Mr. Tracy	_____
Mr. Harbo	_____
Mr. Belmont	_____
Mr. Mohr	_____
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Mr. Nease	_____
Miss Gandy	_____

WASH FROM NEW YORK

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DIRECTOR

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DATE 6/3/83 BY SP-5 [signature]
5/26/88 3042 [signature] ASB

GREGORY, ESPIONAGE R. REBUTEL FEBRUARY TWENTY SIXTH. DELAY IN ANSWERING BUREAUS PRIOR REQUEST CAUSED BY SAAG DONEGANS ABSENCE FROM CITY. DONGAN CONTACTED THIS DATE AND ADVISES THAT HE IS PREPARING A LETTER WHICH WILL BE SENT TO THE DEPARTMENT IN CONNECTION WITH THE FINAL DISPOSITION OF THE TWO THOUSAND DOLLARS IN INSTANT CASE. BUREAU WILL BE ADVISED OF CONTENTS OF THIS LETTER WHEN SAME HAS BEEN COMPLETED BY DONEGAN.

MAY SCHEIDT
HOLD 12 84
6-50 1-51

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cc: Mr. [signature] ASB

STANDARD FORM NO. 64

Office Memorandum • UNITED STATES GOVERNMENT

TO : Director

FROM : SAC, New York

SUBJECT: GREGORY
ESPIONAGE

DATE: March 15, 1951

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED

DATE 5/26/88 BY 3042 PWT/MB

Attached are two photostatic copies of a letter dated March 6, 1951, from Special Assistant to the Attorney General Thomas J. Donegan to James M. McInerney, Assistant Attorney General. This letter deals with the attempt to dispose of the \$2,000 given by Anatole Gromov of the Russian Embassy to Elizabeth Bentley in 1945.

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ENCLOSURE ATTACHED

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65-56402-3889
MAR 16 1951

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ON 5/17/88
P.O. Box 1117 Casp

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- ☐ Deleted under exemption(s) _____ with no segregable material available for release to you.
- ☐ Information pertained only to a third party with no reference to you or the subject of your request.
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Office Memorandum • UNITED STATES GOVERNMENT

TO : Director, FBI

FROM : SAC, New York

SUBJECT: GREGORY
ESPIONAGE - R

DATE: March 23, 1951

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ON 6/3/83
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~~CONFIDENTIAL~~

On March 19, 1951, SAAG T. J. Donegan furnished this office with a copy of a letter from the Department dated March 14, 1951, in connection with the \$2,000 in instant case. The Department's letter is quoted as follows:

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

referred

For the information of the Bureau, the language set forth in Title 40, U. S. Code 304(g) is as follows:

"In the event that any property is or has been voluntarily abandoned to any agency in such a manner as to vest title therein in the United States, it may be retained by such agency and devoted to official use only. If such agency shall not desire so to retain such property, the head therefore shall forthwith notify the Director (the Director noted here means Director of the Procurement Division of the Treasury Department of the United States) to that effect and the Director shall, within a reasonable time,

"A. Order such agency to deliver the property to any other agency which requests and in his judgment shall be given the property, or —

"B. Order disposal of the property as otherwise provided by law August 27, 1935, c.740 — 49 Stat 879."

The Bureau is requested to advise this office as to disposition that is to be made of this \$2,000 in view of the comments made by the Department as have been set forth hereinbefore.

TGS:RAA
65-14603

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INDEXED - 45

65-56402-3890
MAR 26 1951
memo to Belmont
from Humphrey
4/2/51
ASB: [initials]

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65-54902-3890

SAC, New York

April 6, 1951

Director, FBI

GREGORY
ESPIONAGE - R

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DATE 6/3/83 BY SP-5 RJA/AB

Reurlet 3-23-51, setting forth the Dep. Dir.'s opinion that the \$2,000 in instant case may be regarded as property abandoned to the Bureau and, therefore, vested in the United States Government.

Reurlet 1-4-51 and urlet 3-15-51 enclosing the letter dated 3-6-51 from SAAG Thomas J. Donagan to Assistant Attorney General James M. McInerney.

The Bureau feels that it should retain the \$2,000; however, it believes that we should endeavor to clear the title to the money at this time. Inasmuch as there is some question as to whether the Department's decision is based upon factual information, and in view of Bentley's inquiries concerning the money in the past, there appears to be some question as to whether she has abandoned the money. The Bureau feels that if Bentley takes the position that she has a claim to the \$2,000 her position would be untenable because she obtained the money as a result of her illegal services as a Russian espionage agent.

You are instructed to hold this money as you have in the past, but the Bureau desires that you contact Bentley immediately and discuss the question of disposition with her. In the event she plans to make no claim to the money, you should obtain a total written release from her.

You should furnish the results of your discussion with Bentley promptly.

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FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION

MAR 15 1951

TELETYPE

Mr. Tolson	_____
Mr. Ladd	_____
Mr. Clegg	_____
Mr. Glavin	_____
Mr. Nichols	_____
Mr. Rosen	_____
Mr. Tracy	_____
Mr. Harbo	_____
Mr. Belmont	_____
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Mr. Nease	_____
Miss Gandy	_____

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DIRECTOR URGENT

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DATE 6/3/85 BY SP5 [signature]

GREGORY, ESPIONAGE R. REBUTEL MARCH FOURTEENTH. SAAG DONEGAN LETTER
OF MARCH SIXTH, FIFTY ONE, TO DEPARTMENT BEING FORWARDED TO BUREAU
TODAY.

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EX-86

SCHEIDT

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cc: Mr. [signature]

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MARCH 14, 1951 - DEFERRED

SAC NEW YORK

GREGORY, ESPIONAGE RASH R. REURTEL FEBRUARY TWO SEVEN LAST ADVISING
SAC T. J. DONEGAN WAS PREPARING A LETTER WHICH WOULD BE SENT TO THE DEPARTMENT
IN CONNECTION WITH THE FINAL DISPOSITION OF THE TWO THOUSAND DOLLARS INSTANT
CASE. YOU ALSO ADVISED THAT YOU WOULD FURNISH CONTENTS OF LETTER WHEN SAME
COMPLETED BY DONEGAN. SUTEL STATUS.

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DATE 6/3/83 BY SP5 rja/k

HOOVER

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U.S. DEPT. OF JUSTICE

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65-56402-3895
MAR 28 1951

FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION

MAR 14 1951

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Clegg _____
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Tracy _____
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Belmont _____
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~~8. 11-23-1951~~

65-56402-3896

CHANGE TO

100-365848-66

Mr. D.M. Ladd

April 10, 1951

Mr. A.H. Belmont

FOREIGN AGENTS REGISTRATION ACT
OF 1938, AS AMENDED BY SECTION 20,
INTERNAL SECURITY ACT OF 1950

IRVING KAPLAN
ESPIONAGE - R -

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HEREIN IS UNCLASSIFIED
DATE 6/3/85 BY SP-5 MJA/

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GREGORY

PURPOSE

To advise that while discussing other matters with Mr. Raymond Whearty of the Department on April 9, 1951, he advised that an attorney in the Department has been assigned to review the Silvermaster case for the purpose of determining action which would be taken under the Foreign Agents Registration Act of 1938, as amended by Section 20, Internal Security Act of 1950.

To advise that Whearty determined that the attorney so assigned has not made much progress to date, but that ultimately he would complete his review with regard to all of the subjects, including Irving Kaplan.

ACTION

None. This is for your information.

LN.ajv

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NOT RECORDED
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HEREIN IS UNCLASSIFIED
DATE 5/26/88 BY SP-5 [signature]
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~~3. 11-25-1951~~

65-56402-3896

CHANGE TO

100-365848-66

Mr. D.M. Ladd

April 10, 1951

Mr. A.H. Belmont

FOREIGN AGENTS REGISTRATION ACT
OF 1938, AS AMENDED BY SECTION 20,
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IRVING KAPLAN
ESPIONAGE - R -

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DATE 6/3/73 BY SP-5 [signature]
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LN.ajv

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MAY 1 1951